

**FACTORS INFLUENCING EMPLOYEE TURNOVER IN THE HOTEL  
INDUSTRY IN MACHAKOS TOWN, MACHAKOS COUNTY**

**JOSEPH MUTUNE MWILU**

**A RESEARCH PROJECT REPORT SUBMITTED TO THE DEPARTMENT  
OF BUSINESS AND ENTREPRENEURSHIP IN THE SCHOOL OF  
BUSINESS AND ECONOMICS IN PARTIAL FULFILLMENT OF THE  
REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION OF SOUTH EASTERN KENYA  
UNIVERSITY**

**2016**

## DECLARATION

This project is my original work and has not been presented for a degree in any other University.

-----  
Joseph Mutune Mwilu

-----  
Date

Reg. No.D61/MAC/20016/2011

This project has been submitted for examination with our approval as the university supervisors.

-----  
Dr. Joash Migosi  
Lecturer  
University of Nairobi

-----  
Date

-----  
Mr. Nyaribo Ratemo  
Lecturer  
South Eastern Kenya University

-----  
Date

## **DEDICATION**

“The price of success is hard work, dedication to the job at hand, and the determination that whether we win or lose, we have applied the best of ourselves to the task at hand”. Vince Lombardi. I wish to dedicate this project to my dear wife Winnie, my loving children Alvin, Triza and Sharon. They have been a great source of inspiration all through.

## **ACKNOWLEDGEMENT**

First I thank the almighty God for His grace and mercy, and for giving me the determination to work on this project given the time constraints through the entire course work and research process. I would especially want to thank my late Dad mzee Mwilu Kiola and my late Mum Teresia Nyiva for encouraging me to scale greater heights in life. I would like to express my gratitude to my supervisors Dr. Joash Migosi and Mr. Nyaribo Ratemo for their guidance and outstanding support, without which this study would not have been possible. Finally, I would like to thank all the respondents and interviewees for finding time out of their busy schedules to fill in the questionnaires. To all, may the good Lord bless you abundantly.

## ABSTRACT

The purpose of this study was an attempt to understand the factors influencing turnover in the hospitality industry in Machakos Town in Machakos County. The main objective of the study was to establish the factors influencing employee turnover in the hotel industry in Machakos town in Machakos County. The specific objectives of the study were to establish the influence of organizational factors, individual factors and job related factors to employee turnover in the hotel industry in Machakos Town. The research targeted a population of 176 employees in the three surveyed hotels in Machakos town as at 30<sup>th</sup> February 2015. Out of the total population, a sample of 54 employees was selected using stratified random sampling, representing 30% of the total population, covering respondents in different cadres and departments of the hotels. The instruments of data collection used in the study to collect primary data were questionnaires for the hotel staff and an interview guide for hotel management and ministry officials. The results were analyzed and presented in pie charts, bar graphs and tables. Among the three objectives, individual factors were found to be the main contributor to the high rate of employee turnover, followed by the job related factors and then organization factors came last. None of the aspects of the organizational factors was rated to have a very strong contribution to the employee turnover. However career growth, Manager's style of leadership and the organizational culture were rated as having weak impact while toxic work environment, peer pressure and recruitment policies were rated as having very weak impact on staff turnover. Among the individual factors, career aspirations was rated as having a very strong impact on the rate of employee turnover while work experience was rated as having strong impact. The level of education and the exposure of the employees were rated as having a weak impact on turnover while gender, age and incapacitation of the employee was rated as having very weak impact. Among the job related factors, pay package was rated as having a very strong impact on the rate of employee turnover while style of leadership and job clarity were rated as strong factors. The rest of the factors i.e. workload, job stress, lack of challenge and odd working hours were rated as having very weak impact on the rate of employee turnover. It was found out that the main factors that affected the rate of employee turnover were Recruitment policies, Motivation, Level of education and Pay package. The above factors showed a strong positive relationship with the depended variable, meaning that they greatly influenced the rate of employee turnover in the industry.

## TABLE OF CONTENTS

|  |     |
|--|-----|
| DECLARATION .....                              | ii  |
| DEDICATION .....                               | iii |
| ACKNOWLEDGEMENT .....                          | iv  |
| ABSTRACT.....                                  | v   |
| TABLE OF CONTENTS.....                         | vi  |
| LIST OF TABLES .....                           | ix  |
| LIST OF FIGURES .....                          | x   |
| LIST OF ABBREVIATIONS.....                     | xi  |
| OPERATIONAL DEFINITIONS.....                   | xii |
| CHAPTER ONE .....                              | 1   |
| INTRODUCTION .....                             | 1   |
| 1.1 Background of the Study.....               | 1   |
| 1.2 Statement of the Problem .....             | 6   |
| 1.3 Objectives of the study .....              | 7   |
| 1.3.1 General Objective .....                  | 7   |
| 1.3.2 Specific objectives .....                | 7   |
| 1.4 Research Questions .....                   | 8   |
| 1.5 Scope of the Study.....                    | 8   |
| 1.6 Assumptions of the Study .....             | 8   |
| 1.7 Significance of the Study .....            | 9   |
| 1.8 Limitations of the Study.....              | 9   |
| CHAPTER TWO .....                              | 11  |
| LITERATURE REVIEW .....                        | 11  |
| 2.1 Introduction .....                         | 11  |
| 2.1.1 Turnover .....                           | 11  |
| 2.1.2 Causes of Turnover.....                  | 12  |
| 2.2 Theoretical Orientation .....              | 13  |
| 2.2.1 Retaining Through an Allowance Fund..... | 14  |
| 2.2.2 Retaining by Mentoring.....              | 15  |
| 2.2.3 Bond as a Retention Measure .....        | 16  |
| 2.3 Empirical Review .....                     | 17  |

|  |    |
|--|----|
| 2.4 Conceptualization.....                           | 21 |
| 2.4.1 Job Related Factors.....                       | 22 |
| 2.4.2 Organizational Factors.....                    | 23 |
| 2.4.3 Individual Factors .....                       | 24 |
| 2.4.4 Moderating Variables .....                     | 25 |
| 2.5 Research Gap.....                                | 27 |
| CHAPTER THREE .....                                  | 28 |
| RESEARCH METHODOLOGY.....                            | 28 |
| 3.1 Introduction .....                               | 28 |
| 3.2 Research Design.....                             | 28 |
| 3.3 Population of the study.....                     | 28 |
| 3.4 Sample and Sampling Methods.....                 | 29 |
| 3.4.1 Sample Size .....                              | 29 |
| 3.5 Data Collection.....                             | 30 |
| 3.5.1 Data Collection Tools and Methods .....        | 30 |
| 3.6 Data Collection Procedures .....                 | 31 |
| 3.7 Pilot Study.....                                 | 31 |
| 3.8 Data Processing and Analysis .....               | 31 |
| CHAPTER FOUR.....                                    | 33 |
| RESEARCH FINDINGS AND DISCUSSION.....                | 33 |
| 4.1 Introduction .....                               | 33 |
| 4.2 Sample Characteristics .....                     | 33 |
| 4.2.1 Empirical Findings .....                       | 33 |
| 4.2.2 Background Information.....                    | 33 |
| 4.3 Findings and Discussions on the Objectives ..... | 38 |
| 4.3.1 Introduction .....                             | 38 |
| 4.3.2 Organizational Factors.....                    | 38 |
| 4.3.3 Individual Factors .....                       | 42 |
| 4.3.4 Job Related Factors.....                       | 44 |
| 4.3.5 Measurement of the Variables .....             | 47 |
| 4.6 Discussion on Findings .....                     | 47 |
| CHAPTER FIVE .....                                   | 50 |

|   |    |
|---|----|
| SUMMARY, CONCLUSION AND RECOMMENDATIONS.....        | 50 |
| 5.1 Introduction .....                              | 50 |
| 5.2 Summary .....                                   | 50 |
| 5.3 Conclusions .....                               | 51 |
| 5.4 Recommendations .....                           | 53 |
| 5.4.1. At the Organizational Level .....            | 53 |
| 5.4.2. At the Individual Level.....                 | 53 |
| 5.4.3. At the Job Level.....                        | 54 |
| 5.4.4 Recommendation for Further Research.....      | 54 |
| 5.4.5 Recommendations for Policy and Practice ..... | 55 |
| REFERENCES .....                                    | 56 |
| APPENDICES .....                                    | 60 |
| APPENDIX 1: AUTHORIZATION LETTER.....               | 60 |
| APPENDIX 2: QUESTIONNAIRE .....                     | 61 |
| APPENDIX 3: INTERVIEW GUIDE .....                   | 66 |
| APPENDIX 4: LIST OF HOTELS IN MACHAKOS TOWN.....    | 67 |



## LIST OF TABLES

| <b>Table</b>  | <b>Page</b> |
|---|-------------|
| Table 3.1 Staff categories per hotel.....                             | 30          |
| Table 3.2 Sample Size from each hotel.....                            | 31          |
| Table 4.1 Age cohort of the respondents.....                          | 38          |
| Table 4.2 Distribution measurement of the organizational factors..... | 41          |
| Table 4.3 Distribution measurement of the individual factors.....     | 44          |
| Table 4.4 Distribution measurement of the job related factors.....    | 47          |

## LIST OF FIGURES

| <b>Figure</b> |  | <b>Page</b> |
|---------------|--|-------------|
| Figure 2.1    | Theoretical framework.....                             | 18          |
| Figure 2.2    | Conceptual framework.....                              | 22          |
| Figure 4.1    | gender of the employees.....                           | 35          |
| Figure 4.2    | Categories of the employees.....                       | 36          |
| Figure 4.3    | Level of education of the employees.....               | 37          |
| Figure 4.4    | Hotel management skills of the employees.....          | 37          |
| Figure 4.5    | Total experience of the employees.....                 | 39          |
| Figure 4.6    | Length of period served in the same hotel.....         | 40          |
| Figure 4.1    | Response on the effects of organizational factors..... | 42          |
| Figure 4.2    | Response on the effects of individual factors.....     | 45          |
| Figure 4.3    | Response on the effects of job related factors.....    | 48          |

## **LIST OF ABBREVIATIONS**

- H R M - Human Resource Management  
H R D - Human Resource Department  
U S A - United States of America

## OPERATIONAL DEFINITIONS

**Employee turnover** – This is the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment Abassi S M, Hollman K W (2000).

**Employee** – Is a person who is hired /contracted to work for another or for a business firm in return for payment. He can be a permanent employee or on contract.  
<http://www.thefreedictionary.com/employee>

**Gen Y employees** - These are the youthful employees between the ages of 20 to 35 years old and who are ready to change jobs as often as possible. Generation Y employees thrive in a fast-paced environment. They prefer to be managed, rather than left alone, and they want immediate feedback for how well they do a work task or project. They value opportunity, not job security; they embrace corporate positions that promote social contribution and racial/sexual equality. Generation Y employees thrive in challenging environments. <http://www.casagrandepress.com/sample/understanding-generation-x-and-y-employees.pdf>

**Hotel-** A commercially run establishment providing lodging and usually meals for guests, and often containing a public bar Collins Discovery Encyclopedia, (2005)

**Job-Related Turnover-** This term is used to describe employee turnover for reasons that are within the direct control of the employer. Job-related reasons given for leaving the organization include dissatisfaction with working conditions/environment, conflicts with supervisors, scheduling conflicts or salary discrepancies. Beam, J. (2009)

**Management** - Management issues are fundamental to any organization: How do we plan to get things done, organize the company to be efficient and effective, lead and motivate employees, and put in place controls to make sure our plans are followed and our goals are met?

Management is the process of coordinating, staffing, organizing, leading, motivating and controlling employees in an organization to achieve the set objectives and the organizational set targets.

**Motivation** - Motivation is a goal-directed behavior and one that satisfies an employee or a person's needs. It is the force that makes people to do things: this is as

a result of our individual needs being satisfied (or met) so that we have inspiration to complete a particular set task.

**Non Job-related Turnover-** This term is used to describe employee turnover due to things in the employee's personal life that impact the individual's performance in the workplace. Examples of these non job-related reasons would be relocation, family problems, marriage, children and chemical abuse.

**Organizational Fit-**This term is used to describe how well an employee fits in to a particular work environment. A poor organizational fit occurs when the personality or beliefs of an employee contrast greatly with the company and or co-workers. This can lead to disagreements and a distressing work environment.

**Performance** - Is the state where an employee is working and producing to the required standards and goals/targets. Here employee is utilizing his capacities maximally and is able to meet his organizational targets. It also means the manner or quality of functioning.

**Turnover** – It is the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Price (1977)

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

The term “turnover” is defined by Price (1977) as, “the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during that period”. Frequently, managers refer to turnover as the entire process associated with filling a vacancy. Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained.

Employee turnover has also been defined as the rotation of workers around the labour market; between firms, jobs and occupations; and between the states of employment and unemployment Abassi et al, (2000). The hospitality industry is a unique one that exists to serve customers during their recreational time. This time is often spent in the form of lodging and travel, amusement parks, cruises, and more. To best serve customers’ needs, there are a vast variety of employees that staff businesses in the hospitality industry from entertainers, to customer service representatives, to maintenance staff. Unfortunately, these employees tend to have a high turnover rate that has long been unexplained (Hinkin & Tracey, 2000).

Worldwide researches have suggested that employee turnover is among the highest in the hospitality industry. Studies have shown that the average turnover level among non-management hotel employees in the US is about 50%, and about 25% for management staff. Estimates of average annual employee turnover range from around 60 to 300 percent, according to the research conducted by the American Hotel and Motel Association. Staff turnover is high in the hospitality industry, and anyone considering a management position within this segment should understand the reasons people leave their jobs in order for him to be in a better position to contain this problem. High turnover in the hospitality industry occurs for many reasons. Large contributors are seasonality, pay and hours, lack of leadership, customer service issues, labor pool, and training.

Though debate varies, suggested reasons for this high turnover include: low-skilled and low-paying work, unsocial working hours, low job satisfaction and the lack of career advancement within each establishment (Aksu, 2004; Hinkin & Tracey, 2000). As noted in Iverson and Deery (1997), a turnover culture has been created and reinforced within the hospitality industry. Hotels generally regard high turnover as part of the work-group norm and employees frequently hold the belief that they are entering jobs with limited career development opportunities.

Organizations invest a lot in their employees in terms of induction and training, developing, maintaining and retaining them in their organization. Therefore, managers at all costs must minimize employee's turnover. Although, there is no standard framework for understanding the employees turnover process as a whole, a wide range of factors have been found useful in interpreting employee turnover, Kevin et al. (2004). Therefore, there is need to develop a fuller understanding of the organizational factors that affect employee turnover, more especially their causes, what determines employee turnover, effects and strategies that managers can put in place to minimize turnover.

As is usually the case, most employees make a number of transitions between jobs during their working lives. These may include both job changes within a single employer and leaving one firm to take a job in another firm. In either case, there are usually the intention to grow and increase in skills, responsibility, and remuneration, and/or improve the "fit" between employee skills, desires and job requirements. While many leading companies place more effort in employee retention, most are clueless. They accept employee turnover as a normal part of doing business.

High turnover organizations spend disproportionate amounts of resources on recruiting and replacing their workforce, while smart organizations invest in employee retention. Companies take a deep interest in their employee turnover rate because it is a costly part of doing business (Beam, 2009). Companies incur direct and indirect expenses, which include the cost of advertising, headhunting fees, human resource costs, loss of productivity, new hire training, and customer retention; every

time they have to replace an employee. These expenses can add up to anywhere from 30 to 200 percent of a single employee's annual wages or salary, depending on the industry and the job role being filled (Beam, 2009).

Involuntary turnover occurs when an employee is discharged or terminated, often for just cause. Voluntary turnover occurs when an employee leaves by the employee's own choice, and can be caused by a number of factors. These may include poor job feedback, job dissatisfaction; unmet job expectations, performance problems, situational constraints, socialization difficulties, greater degrees of job stress, and a lack of career advancement opportunities. After computing appropriate turnover rates, an organization frequently can determine the reasons for employee separations by compiling and comparing the results of exit interviews by employee group, department, division, etc

Companies today generally do recognize the important contribution that their employees play in delivering the offer. However, they also make every effort to drive down internal costs as part of the price commitment. Employee turnover is seen as one area of cost which can be measured and benchmarked. It is seen as a significant factor which management can influence. The importance of employees was highlighted by Sparks (1991) who suggested that a total service approach was needed which included qualitative as well as quantitative elements to deliver what customers expected.

In spite being one of the most widely studied areas due to its significance to labor productivity and subsequent organizational success, employee turnover is also a key competitive parameter in all industries. Employee turnover is often conceptualized in terms of demographic (e.g. gender, age, educational level), occupational (e.g. skill level, experience, tenure, status), organizational (e.g. firm size, industry, job contents, working environments), and individual (e.g. pay scale, reward, advancement opportunity, job security, job involvement).



Due to the 'hidden' nature of its costs, many hotel executives fail to realize how serious a problem labour turnover can be. Whilst direct costs are relatively easy to measure, indirect costs are not so clear cut (Karsan, 2007), and are difficult to quantify (Davidson et al., 2006). Hinkin and Tracey (2006) have attempted to shed light on the structure and costs of turnover by developing an online calculator for the United States (U.S) lodging industry where turnover costs were classified into five categories: pre-departure, recruitment, selection, orientation and training, and lost productivity.

Yet hotel turnover is also affected by other factors. Europeans, partly due to higher unemployment rate, are much less likely to change jobs than the Americans, whilst voluntary turnover is almost non-existent or very low in some parts of the world such as Singapore (Tanova & Holtom, in press, as cited in Holtom et al., 2008). For example, lost productivity was found to account for 47.1% to 67.6% of the total turnover cost in the US, but was relatively low in Turkey (Aksu, 2004; Hinkin & Tracey, 2008). The cost of turnover also varies based on complexity of the jobs, experiences, qualifications, and hotel property types (Aksu, 2004; Hinkin & Tracey, 2000, 2006, 2008). Hotel size may be a factor, as larger hotels are more likely to adopt systematic HRM strategies and practices reducing turnover rates, especially at the luxury hotel level (Knox & Walsh, 2005). Although the turnover rate of managerial employees is expected to be lower than that of operational staff, the cost of replacement is much higher. It may also impact upon line employee turnover due to managerial inconsistencies (Stalcup and Pearson, 2001).

Studies on turnover cost in the Hotel sector are limited (Hinkin & Tracey, 2006) and most of them have been conducted in the US. The only study on Australia was published in 1996. It suggests that the costs of employee turnover are high and exponential according to skill, ranging from A\$4,651 for a room attendant, A\$4,787 for a Food & Beverage Waiter, A\$9,468 for a Chef, to A\$12,679 for a managerial position (Deery & Iverson, 1996). This study used a small sample of six hotels. An unpublished Queensland hotel industry survey in 2003 of four-to five-star hotels, found that the lowest turnover for a hotel was 27.5% per annum with the highest

being 59.4% per annum. The survey found that the 25 hotels surveyed employed 5,294 employees, and of these, 2,383 employees had resigned in the year prior to the survey, representing a significant average turnover rate of 44.9% per annum. Employee replacement costs were estimated to account for up to a third of hotel HRM departmental budgets (HR Manager, Gold Coast hotel, personal communication, June 2003).

Other estimates put employee turnover rates at between 30% and 50% and sometimes low turnover is seen as an asset in the competitive war. High turnover is seen as a problem to be managed (Bannister and Griffeth, (1986). Broadbridge (2002), for example, identified how employee turnover increased when management engaged in a mechanical and quantitative approach to managing people in stores. The importance of allowing managerial discretion to store managers in dealing with the problems they face was recognized. Uncles (1995) suggested that firms need to invest resources in developing employees. This would lead to increased motivation, enthusiasm and increased sales and overall lower employee turnover.

A variety of management techniques can be used to reduce the relative rate of turnover. Salamin and Hom (2005), for example, showed that a bonus on top of regular pay had more influence on reducing turnover than regular pay rises. Recent contributions to the literature have improved understanding of the triggers that lead to turnover but as a tool for management decision they are difficult to use, as the necessary data is not normally available.

Many hospitality positions are seasonal in nature, where employees are hired during high seasons and retrenched during low seasons and this has a negative impact on the employee morale. Lack of a positive culture in the organization, makes the work environment to be unpleasant. Poor leadership and especially the inability of the management to handle grievances fairly can impact negatively on staff morale. The labor pool for the hospitality industry is often untrained, unskilled workers. Many employees are young, students, or using hospitality jobs as a fallback or as a stepping stone to other careers. This increases the chances of turnover.

Employees and managers walk a fine line between keeping their customers happy and supporting their employees. A good leader will be able to judge between customer service and abusive customers. Pay rates are often around the minimum wage, making it difficult for employees to support themselves with one job and hence the need to moonlight in other jobs and to always be on the lookout for new job opportunities. The fresh graduates, (the so called generation Y- i.e. 24-35 year olds) have their priorities and expectations at variance with those of the older employees. These older employees are more likely to be the ones occupying management positions and therefore they find themselves at loggerheads with the generation Y employees. For this reason the younger employees choose to leave to avoid the unending squabbles. Hospitality workers often work for long, labor-some hours in poor working environments and they feel that they are unappreciated by either the companies they work for or the patrons they serve, leading them to exit the industry to look for more personally fulfilling jobs. Some factors cannot be helped, but awareness of the issues can lead to better solutions. Most of the Hotels have a very poor work life balance since the facilities are often open throughout; the workers hardly get time to catch-up with their families and friends outside the job environment. This has created disillusionment among the staff who feel like they are over sacrificing for their jobs at the expense of their private lives and hence they quit.

## **1.2 Statement of the Problem**

The most valuable asset available to an organisation is its people, thus retaining staff in their jobs is essential for any organisation. Indeed there is a paradigm shift from human resource to human capital which consists of the knowledge, skills and abilities of the people employed in organization which is indicative of their value (Armstrong, 2009). When employees leave their jobs, it is often a sign that something is going wrong.

An unpublished Queensland hotel industry survey in 2003 of four-to five-star hotels, found that the lowest turnover for a hotel was 27.5% per annum with the highest being 59.4% per annum. The survey found that the 25 hotels surveyed employed

5,294 employees, and of these, 2,383 employees had resigned in the year prior to the survey, representing a significant average turnover rate of 44.9% per annum. This is an indicator that the hotel industry loses sometimes up to about a half of the total staff and this should be a matter of concern to governments' world over.

Most researchers (Bluedorn, 1982; Kalliath and Beck, 2001; Kramer et al., 1995) have attempted to answer the question of what determines people's intention to quit by investigating possible antecedents of employees' intentions to quit. To date, there has been little consistency in findings, which is partly due to the diversity of techniques employed, variables included by the researchers and the lack of consistency in their findings. In Machakos County, the problem of turnover within the hotel industry is a serious one, both at the management and lower cadres. There is for instance competition for managers who are perceived as performers and who can secure a good stream of business especially the seminar type of business which pays more than the walk-in type of customers.

Theoretical and empirical studies on employee turnover have been carried out in the developed countries; however very little documented study has been done in Kenya and specifically in the hotel industry in Machakos Town in Machakos County; to ascertain the causes of rampant employee turnover in the hospitality industry. Hence this study aimed at bridging the knowledge gap on employee turnover in Machakos town.

### **1.3 Objectives of the study**

#### **1.3.1 General Objective**

The main objective of this research was to establish the factors influencing employee turnover in the hotel industry in Machakos Town in Machakos County.

#### **1.3.2 Specific objectives**

- i. To determine the influence of organizational factors on employee turnover in the hotel industry in Machakos Town in Machakos County.
- ii. To establish the influence of individual factors on employee turnover in the hotel industry in Machakos Town in Machakos County.

- iii. To examine the influence of job related factors on employee turnover in the hotel industry in Machakos Town in Machakos County.

#### **1.4 Research Questions**

- i. What is the influence of organizational factors on employee turnover in the hotel industry in Machakos town in Machakos County?
- ii. What is the influence of individual factors on employee turnover in the hotel industry in Machakos town in Machakos County?
- iii. What is the influence of job related factors on employee turnover in the hotel industry in Machakos town in Machakos County?

#### **1.5 Scope of the Study**

A purposive survey was carried out among all hotels in Machakos town, which identified three hotels which met the criteria for the study which was to identify hotels with functional HR departments. The study was carried out on staff in The Garden hotel, the *Le-Technish* Hotel and the Tea-TOT Hotel. The rationale was that since majority of hotels in Machakos Town in Machakos County do not have formal HR structures; it was not prudent to carry out the research in all the hotel facilities in the town. Therefore the study focused on staff from the above indentified hotel facilities. These three hotels were chosen because they have well structured HR departments/policies, they keep records of their staff and they are not owner centered and this assisted the researcher to gather the desired information which formed a key element in this study. Since the collection of data for this study, there has been other development in the hotel sector in Machakos town. New hotels have come up such as the Gelian Hotel Limited. Although this facility is one of the major hotels in Machakos town, it could not be featured in this study since it was still under construction.

#### **1.6 Assumptions of the Study**

It was assumed that the data collected is true and unbiased and is the correct data for the study. It was assumed that the research will be carried out exhaustively and widely enough despite the limitations.

### **1.7 Significance of the Study**

Human resource managers are charged with taking care of the people assets of the organization. This study addresses one very critical issue in human resource management. The managers will therefore find an input into the process of management since success in the field of human resource depends on the extent to which the people responsible are able to attract and maintain qualified employees. Labour Unions always have an interest in the issues affecting workers. The study will provide an insight into the causes of staff turnover in the hotel sector. In this regard, the union leaders will obtain relevant information towards their activities of ensuring justice to their members. The Government is another party that has a significant interest in the welfare of workers. The ministry of labour under which workers rights and obligations are addressed will also benefit in the study. The ministry will gain an understanding of causes of high turnover and in turn come up with policies to mitigate the causes. Researchers and scholars will also find this study invaluable as a source of reference for further studies in the area of employee turnover.

### **1.8 Limitations of the Study**

During the research process, the researcher experienced the following limitations:

The main limitation of the study revolved on the issue of finances - research work involves costs relating to transport, stationery and other important logistical expenses, which were too high, preventing the researcher from adequately covering a larger sample. The time to carry out research was limited due to job commitments which the researcher has to attend to and he was not able to accomplish much.

The study was limited only to research in three organizations hence it may not give adequate facts about the topic and the conclusions may not be very strong. Some organizations visited were hesitant to allow the researcher to carry out research on some of their policies contrary to the researcher's expectations. Unpredictability of the respondents in relation to the data sources which led to some level of holding back of information by the respondents.

The literature on hotel labour and turnover costs was limited and this project seeks to add to our understanding of labour turnover and cost impact on hotels. It also suggests ways in which hotels may better address the turnover issue. The above limitations did not in any way affect the validity of the research findings, since the researcher made sure that they were addressed in good time as indicated by the representative sample.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The hospitality sector is one of the world's fastest growing industries. However huge problems still exist in attracting and retaining a skilled workforce. The two enduring things in this industry are: a high staff turnover, which affects the ability to deliver a consistent brand experience, harming business; and the fact that not enough people see the growing industry as somewhere to build their careers (Druce, 2007).

How does the hotel and hospitality industry envisage labour turnover? In this industry, turnover is the voluntary or involuntary exiting of staff from the employment in a hotel. A prominent feature of the hospitality industry is that it is labour intensive but experiences high levels of labour turnover (Birdir, 2002; Brien, 2004). For instance, data from the United States suggest a voluntary turnover rate in the leisure and hospitality industry of 52.2%, with accommodation and food being the highest in the hospitality sector, compared to an average of 23.4% across all industries (The US Bureau of Labor Statistics, 2006).

##### **2.1.1 Turnover**

Although the literature is filled with many other definitions, Mobley's (1982) definition most accurately reflects the conceptual position of this thesis. Mobley states that turnover is "the cessation of membership in an organization by an individual who received monetary compensation from the organization" (p.10). Given corporate America's increased use of temporary workers, this definition insures that those who may have been contracted for a temporary period, often through an outside agency, will not be considered. Also excluded from consideration are those who transfer within the organization. A final salient feature is Mobley's inclusion of all forms of cessation from the organization. The employee turnover rate is usually calculated by dividing the number of employees separated from the company they were working for by the base number of jobs during the period. Employees who transfer to other positions within the same organization are not considered in the calculation, as well as those who retired, had their job phased-out or were terminated due to downsizing.



Turnover rates for employees can be measured and compared over time and across companies using what is commonly referred to as the employee turnover index. Some companies add in the number of new positions added during the year to get a more accurate turnover figure. Employee turnover that results in vacancies caused by internal promotions are not included in most turnover statistics.

### **2.1.2 Causes of Turnover**

As Walker (2006) points out, high rates of staff turnover may be endemic in the hospitality industry; however, it is not inevitable. The most critical period of turnover incidents is the first few days and weeks of the incorporation of a new employee in an organization. According to Walker, more people leave then than at any other time. This is often called the induction crisis and it occurs when the new employee for whatsoever reason, has not been integrated into the team. This may be as a result of poor recruitment or a poor induction programme, with insufficient care and time spent on enabling the new recruit to build strong relationships with his supervisor and co-workers. The new worker may have been left to swim or sink without sufficient support. "In this industry, opportunities both at home and internationally are huge. So people with ambition will always be looking to improve their career prospects and will want to move about to gain more experience and responsibility and to earn more money. And where pay levels do not compare well with the competition, the urge to leave and earn more may be overpowering" remarks Walker (2006). Nevertheless, he argues, people remain in jobs that they like even though higher pay may be available elsewhere. A number of factors will influence this decision: - if there are good employment conditions, if staff like working in the business and if there are realistic opportunities for advancement, people are likely to want to stay (Walker, 2006).

Alternatively it has been suggested that to enhance employees trust in an organization and subsequently reduce turnover intentions, hotels need to continue providing training and development programs for their employees, conduct fair and formal appraisal, and provide ample and clear career advancement to their employees (Hemdi, 2006). In other words, HRM practices send powerful signals to employees about the extent to which the organization trusts them and if organizations fail to

deliver on contractual or other promises, employees' sense of indebtedness or mutual obligations will be reduced.

According to Agrusa & Lema (2007) when investigating the issue of employee retention, many surveys and studies reveal that more people leave their jobs because they do not get along with their boss or supervisors than for any other reason.

Direct service employees, particularly, are the people who come in the closest contact with the customer on a daily basis. A customer will often make a decision to return to an establishment based on their interaction with a single employee. Thus when valuable employees continually leave an organization, it has a direct effect on the customer experience.

Furthermore, training or investment is very important in a company especially if they belong to the service sector because in experienced, poorly trained staff can turn customers away, subsequently these customers then talk about their unhappy experience to their friends. Bad news travels fast and customers can discredit a hotel if they had a bad experience. Therefore it can be assumed that customer turnover (guests who leave and not return) is also directly related to employee turnover which can become a challenge for many hospitality businesses. Customer and employee turnover both have a direct link to the bottom line and profit. (Agrusa, 2007). This chapter also contains the literature review of the study and further brings out the previous studies done on the research topic. It deals with the theoretical orientation, empirical review, research gaps to be filled, the conceptual framework and the operational framework.

## **2.2 Theoretical Orientation**

Worldwide researches have suggested that employee turnover is among the highest in the hospitality industry. But what exactly is employee turnover? Generally speaking it is the rate at which an employer gains and loses employees. Many hoteliers are familiar with this costly problem. When employees leave, valuable knowledge is lost and even guests may follow the departing employee. Moreover, getting a new employee ramped up to performance levels similar to the one you have lost takes time

and money. Hoteliers who actively find ways to retain employees gain a sustainable competitive advantage.

The undesired loss of competent personnel is costly to an organization in both direct and indirect terms. Before one attempts to seek a comprehensive solution to the problem of turnover, it may perhaps be proper to analyse the causative factors that result in heavy migration of scarce human resources. The various reasons that encourage an employee to leave his present job are usually related with satisfaction level. The 'push' factors pertain to the dissatisfaction causes, where an employee uses 15 primary motivators to severe relations with his company. They are the work environments, compensation package, low employee benefits, inconsistent HR policies, incorrect work assignment, lack of challenge and lack of career development schemes. Two more push factors identified are 'fear of being found out' and 'level of competence'. Some employees manage to get the job by projecting more skills than they actually possess. After they have strengthened their knowledge to a certain degree in the organization, they are constantly afraid of being 'found out' and tend to leave as soon as a suitable opportunity comes. Level of competence implies that the employee may rise in the organization up to a certain level, after which he feels he may not rise further. However, this level of competence may be what is expected at a higher position in another organization with slightly lower standing in the industry.

The “pull” factors that lure an employee are higher compensation packages and greater technical challenge (Ganesh, 1997). When valuable workers want to quit their jobs, how does the organization encourage them to reconsider their decision? How does management convince them to work out any problems that might be acting as “push” factors in their decision to leave; or to re-evaluate the benefits of offers acting as “pull” factors? Some of the retention techniques practiced today are as described below.

### **2.2.1 Retaining Through an Allowance Fund**

In an industry where most work is done on-site, there may be discontentment among employee who have not been chosen to work at the client’s place especially overseas.

Not that they are incompetent but because the work demanded only a few people are required for the job. Companies therefore setup a fund to compensate such employees who do not get the opportunity to travel to such areas where they would have qualified to earn allowances had they travelled to such areas. Both financial and non-financial rewards can contribute to the engagement and commitment of talented people by demonstrating that they are valued for their contribution. Paying competitive rates will affect the ability of organizations to attract and retain people, but there is a limit to the extent to which companies can compete with the pull of the market.

### **2.2.2 Retaining by Mentoring**

Armstrong (2009) defines mentoring as the process of using specially selected and trained individuals to provide guidance, pragmatic advice and continuing support, which will help the person or persons allocated to them to learn and develop. He goes on to define mentoring as a method of helping people to learn, as distinct from coaching, which is relatively directive means of increasing peoples` competence. It involves learning on the job, which must always be the best way of acquiring the particular skills and knowledge the job holder needs. Unlike a counselor, a mentor is from within the organization and has executive powers to recommend a person in a suitable spot. Experience in human relations, a cool head and an unbiased approach are some of the attributes of a mentor.

Mentors help employees develop self – confidence and their overall personality, which reflects in the employees` technical capabilities and helps in overall working of the organization. A mentor is dedicated to the mentored and guides them till the objective is achieved. Mentors bring the organization and the employee closer. They bring a sense of belonging and loyalty amongst the employees (Chaddah, 1997). Mentoring also compliments the informal training of an employee by providing those who go through it with individual guidance from experienced managers who are `wise in the way of the organization`. According to Armstrong (2009), mentors provide people with: Advice in drawing up self development programmes or learning contracts; General help with learning programmes; guidance on how to acquire the

necessary knowledge and skills to do a new job; Advice on dealing with any administrative, technical or people problems individuals meet, especially in the early stages of their careers; information on the way things are done around here – the corporate culture and its manifestations in the shape of core values and organizational behavior; coaching in specific skills; help in tackling projects and a parental figure with whom individuals can discuss their aspirations and concerns and who will lend a sympathetic ear to their problems.

### **2.2.3 Bond as a Retention Measure**

To bond or not to bond Most companies today are forced to ask themselves this question on an ever- increasing basis. The employer invests a considerable amount of time, money and resources in training and brings the new entrant to a stage where the employer feels that he can begin to get a decent return on investment. It is at this point of time that the employee decides to leave the firm for better prospects, having gained a degree of experience and expertise at the employer's expense. The employer is bound to ask whether the sole purpose of recruiting people is to train them for a better job opportunity elsewhere. After all, he is not running a training institute and paying people to get trained too. As far as the employee goes, he sees no harm in accepting a job offer if one were to come his way and the prospects are better (Armstrong, 2009).

An employer being a businessman needs to take care of his own interests. He cannot afford to be altruistic. If he on the other hand is too hard-nosed about this affair, he can actually prevent the right people from joining his company. The right path would be the middle path (Bulsara, 1997). Bonds are justified and acceptable if the company is clearly spending significant money and/or time for training the employee and hence expects the employee to spend a minimum prefixed period after getting the training. Bonds are not justified when the person is going on an assignment abroad. Some companies claim that the experience gained on an assignment abroad is actually training and hence the person needs to return and work with the company to pass on his knowledge to other employees. By the same argument, every employee working on assignment is continuously getting trained and hence needs to continue to work and should also be required to sign a bond (Doshi, 1997).

The true human resource challenge is in retaining as is evident where a particular skill is in high demand and the supply far short of the demand. In such a scenario, there is bound to be high mobility among such professionals. Before addressing the problem of retention one needs to seek an answer to the question “why do people quit?” What are the factors one weighs in deciding if one wants to be in an organization or not? Reasons for leaving have been largely speculative. So far there has been no systematic attempt to study the causes of employee turnover among skilled professionals. This study is an attempt in this direction.

#### 2.2.4 Theoretical Framework

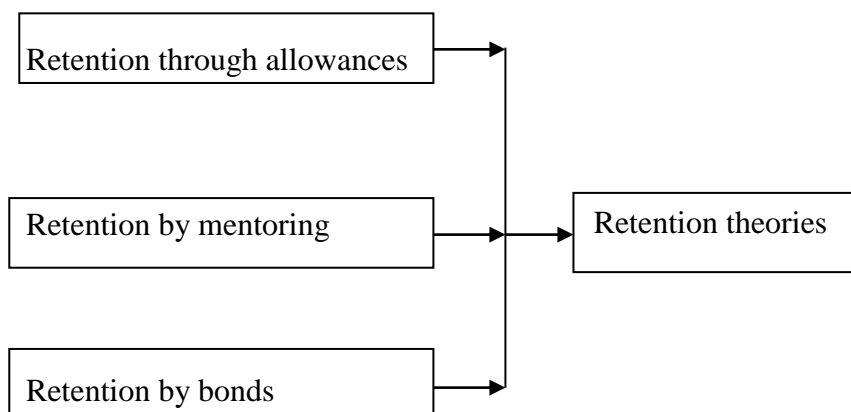


Figure 2.1 Theoretical Framework

Source: Armstrong (2009)

### 2.3 Empirical Review

Studies done regarding labour turnover in the service industry across the world indicate that, the hospitality sector leads with many employees’ changing jobs from time to time. Subsequently, some causes of labour turnover are believed to be industry-specific. Both the internal and external causes of labour turnover affect the growth, profitability and customer satisfaction whenever it occurs in the workplace. Employers see the process of staff leaving and being replaced as a natural and inevitable feature of the industry (Kuria, Ondingi & Wanderi, 2012).

A study carried out by Kuria, Ondingi, and Wanderi (2012) to establish the internal and external causes of labour turnover in 3 and 5 star hotels in Nairobi Kenya, found out that poor remuneration was cited as the major contributor to staff turn-over with

an overwhelming majority (60%) of the respondents dissatisfied with their pay. This was closely followed by lack of involvement of staff in decision making and creativity at 56% of the total respondents saying they were unhappy with the current scenario. Lack of a defined motivation criterion (reward scheme) was cited by 46% of the respondents saying they were dissatisfied with the lack of a well defined scheme for rewarding workers who excel in their duties.

Another study by Stalcup, D. & Pearson, A. (2001) on causes and effects of employee turnover in Bangladesh, found out that poor pay and irregular payments were the major contributors to employee turnover together accounting for a combined 45% of the total respondents citing. These were followed by the availability of a better job option cited by a marginal 10% of the total respondents sampled. On the other hand, respondents were asked to propose solutions to the problem of high employee turnover, 80% of the respondents gave standard salary structure as the possible cure to the problem. This was followed by regular salary increment at 70% of the total respondents. This study shows that pay is a very critical factor which influences the decision by staff to quit or stay.

Hammerberg, H.J. (2002) in his study on reasons given for employee turnover in a full priced department store, paints a very disturbing picture on the rate of employee turnover. In his findings, 67.7% of all exiting employees in the store have only served for between zero and one year. This represents a very high rate of attrition at the initial stages of engagement which can cast doubts on their recruitment procedures. Followed by those who have served between one and two years representing 16%. The study also found out that job related factors were the main contributors to termination of employment by category at 37.4%, followed by closely by individual factors at 30.3%. This was true for both permanent and part time staff.

According to Walker (2006), some businesses can experience 50 – 100% turnover very year, way above the best practice forum's Benchmark index of 26.5%. At 26.5%, more than a quarter of staff changes their jobs every year; at 50%, a business is replacing half its staff every year. This is an alarming figure that reinforces the idea

that the hospitality industry possesses one of the highest rates of turnover, among all the service industries. In the article “The cost of employee turnover”, Mathew O’Connell & Mei-Chuan Knug (2007) makes the point that organizations tend to underestimate the cost of turnover, yet collectively turnover costs organizations billions of dollars a year. According to a conservative estimate by the Bureau of labour statistics in America, the average cost to replace an employee is \$13,996 (O’Connell, 2007)

A research done by Hendi and Nasardin (2006) found out that hotels all over the world experience high turnover rates. According to their research, globally, the turnover rate in the hotel industry is estimated to range from 60% to 300% annually, far higher than the 34.7% reported in the manufacturing industry. Most importantly, they affirm that excessive employee turnover rate is detrimental to organizations. It is evident that it is related to direct and indirect costs; furthermore, it affects moral, productivity, reputation and survival of organizations. That is to say, turnover, when high, often means that employees are unhappy with the work compensation, it can also indicate unsafe or unhealthy conditions, or that too few employees give satisfactory performance due to unrealistic expectations or poor candidate screening. By contrast, turnover, when it is low, indicates that none of the above is true: employees are satisfied, healthy and safe, and their performance is satisfactory to the employer.

Most researchers (Bluedorn, 1982; Kalliath and Beck, 2001; Kramer et al., 1995) have attempted to answer the question of what determines people’s intention to quit by investigating possible antecedents of employees’ intentions to quit. To date, there has been little consistency in findings, which is partly due to the diversity of techniques employed, variables included by the researchers and the lack of consistency in their findings. However, a number of attempts have been made to understand management turnover such as career advancement, organizational culture and commitment, the intrinsic and extrinsic job satisfaction and work-life balance have been found to be among the key motivators for employees to quit. Employee turnover intentions are affected to a greater extent by psychological, perceptual and



affective factors rather than by the characteristics of the employees or hotels, although age is a factor that is significantly associated with long-term employee turnover (Carbery et al., 2003; Ghiselliet al., 2001; Stalcup & Pearson, 2001).

Despite the fact that retention of highly-productive key employees is certainly an important task for human resources, so is the creation and development of a workplace that not only encourages retention, but also high levels of productivity among all employees. Many researchers (Buckingham & Coffman, 1999; Seijts & Crim, 2006; Harter, Schmidt, & Hayes, 2002) have used the term engagement to refer to employees who are involved in, enthusiastic about, and satisfied with his or her work. The Towers Perrin Talent Report (2003) found that approximately 81% of employees surveyed were engaged, but as many as 19% of employees surveyed were disengaged. Disengaged employees are more likely to perform poorly, actively look for another job, and say bad things about management or the organization for which they work (Gubman, 2004). Such counterproductive work behavior also has a documented relationship with a lack of organizational citizenship (Dalal, 2005).

Sanford (2003) reported that disengaged employees cost their businesses financially via decreased profits, decreased sales, lower customer satisfaction, and lower productivity; furthermore, Sanford reported that Gallup estimated that actively disengaged employees may cost the American economy up to \$350 billion per year in lost productivity. HRD can encourage employee engagement in the workplace by emphasizing high impact learning, performance and change.

According to Bernthal et al. (2000), turnover is likely to increase as time goes by and this is problematic due to the fact that turnover is costly for an organization. Unfortunately, the problem of turnover is not always addressed effectively even though human resource professionals consider it problematic. Bernthal et al. (2000) reported that greater than 1/3 of human resource professionals they surveyed saw retention as a pressing issue. However, almost half of organizations interviewed had no formal strategy for addressing the problem of retention. International Survey Research (n.d.) suggested that most organizations rely on the reactive strategy of

gaining data from exit interviews to make organizational changes to promote retention. This is problematic. According to ISR, not only is this reactive, but the data captured at an employee's exit does not accurately represent the state of mind the employee was in when he or she contemplated leaving the organization. ISR suggested that to be truly proactive, companies need to understand the key factors that influence turnover. Bernthal et al. (2000) suggested that the most effective interventions are those that include the understanding of why employees leave.

At the operations level, the hotels in Kenya and indeed in Machakos County are staffed by relatively young school/college graduates who belong to the 20-30 year age bracket. This caliber of staff are just starting their lives in employment and they view employment in the hotels in Machakos as a step towards their dream careers in other bigger and better facilities. This group is ready to change jobs as and when an opportunity presents itself, to a better paying job without considering the future prospects of the current job. These young employees have their job expectations at variance with those of the older employees and therefore they don't always cope at work. Given that the older employees are more likely to hold management positions, the youthful employees choose to leave and search for employment elsewhere. The reason behind choosing the hotel industry for this study is because whereas this sector plays a pivotal role in our economy in capital formation, stimulation of the level of industrialization, poverty alleviation and human development, it is affected by high rates of employee turnover and there is need to find out the reason why this is so.

In Kenya, very little has been documented on the causes of employee turnover in the hotel industry and more so in Machakos Town in Machakos County; to ascertain the causes of rampant employee turnover in the hotel industry and this is the gap that this study seeks to fill.

## **2.4 Conceptualization**

The study focuses on the sources of employee turnover, which are classified into three broad groups; job related factors, organizational factors and individual factors.

## Conceptual Framework

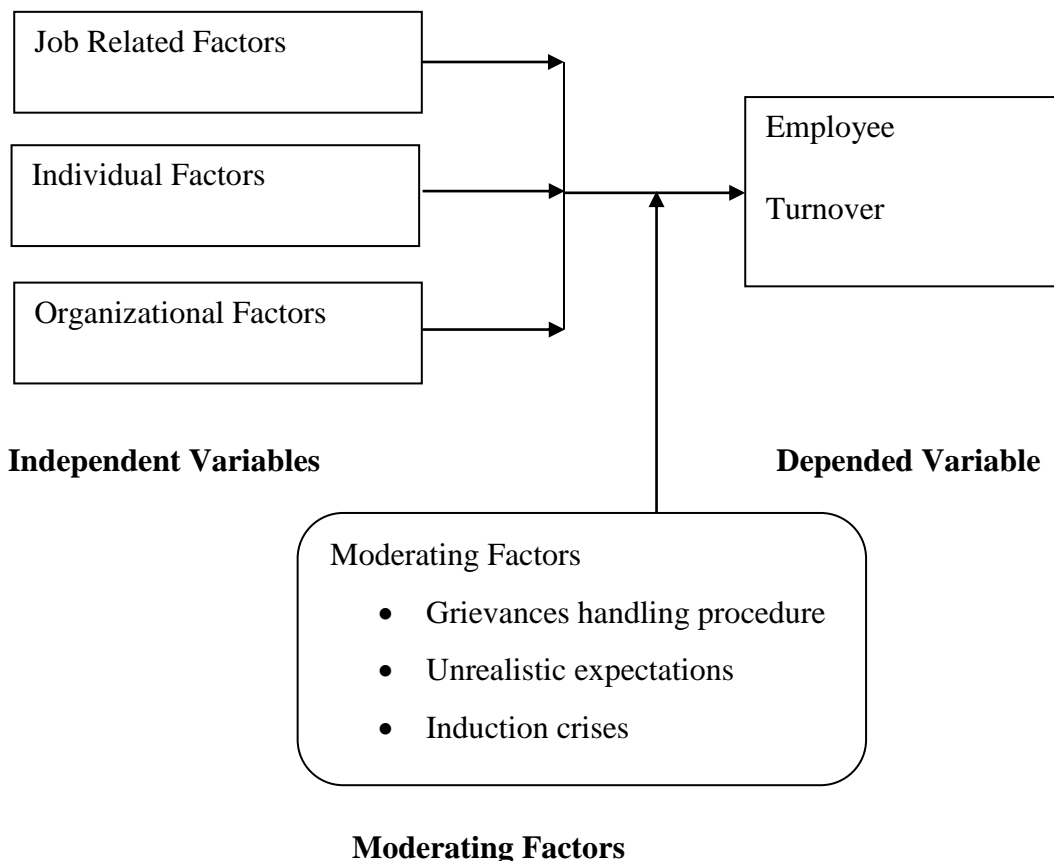


Figure 2.2 conceptual Framework

Source; Author 2015

### 2.4.1 Job Related Factors

The dependent variable is employee turnover, the independent variables include; the experience of job related stress (job stress), the range factors that lead to job related stress (stressors), lack of commitment in the organization and job dissatisfaction make employees to quit Firth et al (2004). This clearly indicates that there are individual decisions which make one to quit. There are other factors like personal agency which refers to concepts such as a sense of powerlessness, job clarity, workload, pay package, job stress, odd working hours, lack of challenge, style of leadership, lack of leave and overtime allowance, conflict between family and job demands, locus of control and personal control.

Locus control refers to the extent to which people believe that the external factors such as chance and powerful others are in control of the events which influence their

lives Firth et al, (2004). Large organizations can provide employees with better chances for advancement and higher wages and hence ensure organizational attachment Idson and Feaster, (1990). Trevor, (2001) argues that local unemployment rates interact with job satisfaction to predict turnover in the market. Role stressors also lead to employee's turnover. Role ambiguity refers to the difference between what people expect of us on the job and what we feel we should do. This causes uncertainty about what our role should be. It can be as a result of misunderstanding what is expected; how to meet the expectations; or the employee thinking the job should be different Muchinsky, (1990).

Insufficient information on how to perform the job adequately, unclear expectations of peers and supervisors, ambiguity of performance evaluation methods, extensive job pressures, and lack of consensus on job functions or duties may cause employees to feel less involved and less satisfied with their jobs and careers, less committed to their organizations, and eventually display a propensity to leave the organization. Tor et al, (1997). If roles of employees are not clearly spelled out by management / supervisors, this would accelerate the degree of employees quitting their jobs due to lack of role clarity.

#### **2.4.2 Organizational Factors**

Organizational instability has been shown to have a high degree of high turnover. Indications are that employees are more likely to stay where there is a predictable work environment and vice versa Zuber, (2001). In organizations where there was a high level of inefficiency there is also a high level of staff turnover (Alexander et al. 1994). Therefore in situations where organizations are not stable employees tend to quit and look for stable organizations because with stable organizations they would be able to predict their career advancement adopting a cost oriented approach to employment costs increase labour turnover Simon et al. (2007). All these approaches should be avoided if managers want to minimize employee turnover and increase organizational competitiveness in this environment of globalization. Employees have a strong need to be informed. Organization with strong communication systems enjoyed lower turnover of staff. Labov,(1997). Employees feel comfortable to stay

longer, in positions where they are involved in some level of the decision-making process. That is, employees should fully understand about issues that affect their working atmosphere Magner et al, (1996).

But in the absence of openness in sharing information, and employee empowerment, the chances of continuity of employees are minimal. Costly et al, (1987) points out that a high labour turnover may mean poor personnel policies, poor recruitment policies, poor supervisory practices, poor grievance handling procedures, or lack of motivation. All these factors contribute to high employee turnover in the sense that there is no proper management practices and policies on personnel matters hence employees are not recruited scientifically, promotions of employees are not based on spelled out policies, no grievance handling procedures are in place and thus employees decide to quit.

Griffeth et al, (2000) noted that pay and pay- related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performance and turnover. They concluded that when high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa. There are also other factors which make employees to quit from organizations and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organization and toxic workplace environment Abassi et al (2000).

### **2.4.3 Individual Factors**

There are some factors that are, in part, unique to a particular staff and hence beyond the control of management, such as the death or incapacitation of a member of staff. Other factors have been classified as involuntary turnover in the past such as the need to provide care for children or the aged relatives. Today such factors should not be seen as involuntary turnover as both government regulations and company policies create the chance for such staff to come back to work, or to continue to work on a more flexible basis Simon et al.(2007). However, in the Kenyan context, these issues still remain a big challenge for many workers in the hotel industry.

#### **2.4.4 Moderating Variables**

Grievance may be any genuine or imaginary feeling of dissatisfaction or injustice which an employee experiences about his job, the management policies and procedures. They arise when expectations of employees are not fulfilled from the organization resulting in feelings of discontent and dissatisfaction. It must be expressed by the employee and brought to the attention of the management. If not properly addressed, grievances can be picked by other employees and they become collective disputes. They will later result in frustration, frustration, low productivity, lack of interest in job, absenteeism etc.

Grievances may result from improper working conditions such as unsafe working conditions, bad relations with managers, irrational management policies on issues (such as overtime, transfers, demotions inappropriate salary structures, etc), violation of organizational rules and practices among other factors. Managers should take steps to effectively deal with grievances quick identification of the problem, and acknowledging it, gathering facts about it, examining the causes, making decision on how to deal with the issue and finally implementing the decision without fail. If grievances are not handled expeditiously, they may be a source of discounted that may lead to employee turnover

Expectations and pressure can come from different sources, including oneself, family, work, society, teammates or coaches, peers, among others. Although reasonable expectations can be a positive pressure in life of a worker, too much pressure can cause one to burn out. Depending on how much pressure is placed on an individual, and for how long, expectations can affect a person negatively in the following ways: Psychologically through stress or anxiety, feeling helpless, overwhelmed or powerless, feeling down or depressed, feeling guilty and experiencing a sense of failure or low self-esteem. Socially through family problems like fighting or poor communication, problems at school or work, like difficulty concentrating or poor performance, relationship or friendship problems, and abuse of drugs or alcohol. Physically through poor eating habits, like overeating, eating too much junk food, or

losing your appetite, feeling fatigued, not getting enough sleep, and feeling run down and sick. There is need for the management to set realistic goals and expectations, which are achievable for their employees to avoid putting them through trauma of chasing a mirage of goals that they cannot achieve. Unmet expectations can cause anxiety among the staff and lack of morale and the result can be the exiting of staff that initially appeared committed to their duties.

Mullins (1998) cited staff turnover to be at the highest level during the first few months of employment as the induction crisis. A report in 1984 by the HBTIB states that in the specific sector of guesthouses and hotels almost 45 percent of all new workers left their employment within the first three months, and 15 percent within the first month. This has reduced slightly over the last 20 years, with the People 1st (2009) survey highlighting that over 10 percent of turnover came within the first six months of employment, with bar staff at an average of 30 percent. This trend is disruptive and expensive, especially as the investment of training and time have been lost (Mullins, 1998). Torrington et al (2005) go further and identify more costs lost, such as marketing and interviewing, although these can be saved if the next employee is hired internally as opposed to externally.

An employee is an ambassador to their organisation, representing them through their attitudes, behavior and organisational culture. How employee's understand and learn these attributes begins with staff induction and socialisation. In HRM literature, organizational socialization is widely recognized as a key process ensuring new employees can be efficient and effectively integrated within the organization (Taylor, 2006). Both induction and socialization are entwined together. Staff induction practices govern unconsciously or deliberately organizational socialization (Torrington et al, 2005). With the continuous process whereby new recruits are brought into the firm is an important element of HRM practice. If executed well it can help to retain the new employee and reduce staff turnover (Lashley and Best, 2002). During the course of his study, Martin (2008) found a complicated relationship between training, career development and turnover. He argued that training can affect turnover in two ways; it can help decrease turnover rate and sometimes it may result in increased turnover rate. Martin further explained that with enhanced and improved

career development skills, employees will be satisfied enough to stay with the organization for long. But they can also leave for another employer who will offer better options. This is mostly the case when organizations are not able to provide challenging work according to the employees' skills. However, some researchers have concluded training has no impact on the movement of employees from one organization to another (Shah & Burke, 2005; Green et al., 2008). They concluded that training which is given by the organizations result in reduce turnover rate, as the organizations are likely to build training programs which will prepare their employees to meet future challenges or change in organizations. Whereas, training obtained outside the organization leads to higher turnover rate. Another study done by Chang (2009) focused on relationship between career development and commitment towards the organization. He found out that when employees are committed they are less likely to leave the organization. This is also because they see career growth in their organizations. It was also seen that employees who have low career ambitions are not committed with the company and hence tend to move frequently from one organization to another. Chang (2009) also concluded that employees tend to stay long in the organization when they see that the management is working for their benefit and career growth. They would prefer an organization which has opportunities for internal growth and promotions and provide training and professional advice.

## **2.5 Research Gap**

Although many studies have been done on the factors contributing to the rate of employee turnover, most of them concentrated on the developed countries and very little research has been done in the developing countries specifically on the African continent. In the same way, most of these studies have concentrated on manufacturing companies and the government sector and little has been done in the hotel industry which is a very important sector of the economic growth. Machakos town is one of the fastest growing towns in Kenya and it is attracting more investors from all over the world. Very little is documented specifically in the Hotel industry in Machakos Town in Machakos County, to ascertain the causes of rampant employee turnover in the hospitality industry and therefore, this study seeks to fill the above mentioned gap.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter outlines the research design used in the study. Various designs are utilizable depending on the type of study. This section also indicates the population, sampling methods and design, as well as data collection methods, data analysis tools and report writing.

#### **3.2 Research Design**

This study used the descriptive survey research design to show the factors influencing employee turnover in the hotel industry in Machakos Town in Machakos County. A descriptive study design is one in which the primary goal is to assess a sample at one specific point in time without trying to make inferences or causal statements (Cooper and Schindler, 2011). In general, there are three primary reasons to conduct descriptive studies; to identify areas for further research, to help in planning resource allocation and to provide informal information about a condition or disease. Descriptive studies are helpful in revealing patterns and connections that otherwise go unnoticed (Chandran, 2004). This study design was instrumental in trying to find out the causal relationship between the factors identified and the dependent variables, in the hotel industry in Machakos town in Machakos County.

#### **3.3 Population of the study**

Population refers to the total collection of elements about which one wishes to make some inference (Cooper and Schindler, 2011) and an element represents each member of the population. This study focused on employees of hotels in Machakos town in Machakos County. The researcher was interested in hotels that have functional human resource departments. This is because the human resource department is mandated to oversee the employee welfare. Given that most hotels in Machakos Town in Machakos County do not have formal HR structures, it was not prudent to carry out the research in all the hotel facilities within the town. Therefore the population of the study consisted of staff drawn from the three sampled hotels in Machakos town i.e.

Tea-Tot Hotel, the Garden Hotel, and the *Le-Technisch* Hotel. A purposive sampling was carried out to come up with the hotels that would be involved in the study. These three hotels were chosen from among other hotels because they have well-structured H R departments, they keep records of their staff and they are not owner centered. This assisted the researcher in gathering the desired information which forms a key element in this research.

**Table 3.1**  
**Staff in different Categories in the three Hotels**

| HOTEL                     | Management staff | Middle level staff | Lower cadre staff | Total      |
|---------------------------|------------------|--------------------|-------------------|------------|
| Garden Hotel              | 4                | 30                 | 44                | 78         |
| <i>Le-Technisch</i> Hotel | 3                | 15                 | 23                | 40         |
| Tea TOT Hotel             | 3                | 20                 | 35                | 58         |
| <b>TOTAL</b>              | <b>9</b>         | <b>65</b>          | <b>100</b>        | <b>176</b> |

### 3.4 Sample and Sampling Methods

A sample refers to a portion of the population that is intended for a study to reflect the characteristics of the population (Mugenda and Mugenda, 2003). Sampling methods should ensure that every character in the population has an equal chance of being studied. The ultimate sample studied should reflect the population characteristics. This study used stratified random sampling to select the population of the study, which covered the management staff, the middle level staff and the lower cadres of staff.

#### 3.4.1 Sample Size

According to Ramenyi et al (2003), a sample size of between 10% and 20% is considered adequate for detailed or in-depth studies. And Mugenda and Mugenda (2003), states that 30% of the accessible population is enough for descriptive studies. For this study, the researcher divided the number of staff in the three hotels into three categories i.e. management staff, middle level staff and lower cadre staff. A sample

size of 30% per category per hotel was selected giving a total sample of 54 as indicated below in table 3.2.

**Table 3.2**

**Hotel Employees in different Categories and Sample sizes per Hotel**

| HOTEL              | Management staff | Middle level staff | Lower cadre staff | Totals    |
|--------------------|------------------|--------------------|-------------------|-----------|
| Garden Hotel       | 1                | 9                  | 13                | 23        |
| Le-Technisch Hotel | 1                | 5                  | 7                 | 13        |
| Tea TOT Hotel      | 1                | 7                  | 10                | 18        |
| <b>TOTALS</b>      | <b>3</b>         | <b>21</b>          | <b>30</b>         | <b>54</b> |

### 3.5 Data Collection

#### 3.5.1 Data Collection Tools and Methods

Data collection methods are the instruments used to obtain data from the respondents. This study used questionnaires with close ended questions to obtain data from the respondents, based on the objectives of the study. Close ended questionnaires are useful in restricting responses to the desired areas, Mugenda and Mugenda, (2003). Since the target population is considered to be able to understand the language used, appropriate responses were expected. The following tools were used to collect data:

##### 3.5.1.1 Questionnaire

According to Kothari (2004), a questionnaire is a sheet of paper that has questions, which a respondent is required to fill or answer. It can be administered orally as the researcher records the responses to each item or the respondent may be left to respond to the items independently. The researcher drafted a list of questions in the questionnaire, which were administered to the respondents. The questions were made direct to avoid ambiguity. Questionnaires were delivered physically by the researcher and respondents were given ample time to respond - (using the ‘drop- and- pick- later’ method). A pilot study was done on 10 members of staff from the various hotels, which served to show the weaknesses of the questionnaire before being administered to the target population (Huang and Lee, 2013).

### **3.6 Data Collection Procedures**

#### **3.6.1 Primary Data**

The researcher used primary data, which is information collected for the first time. The questionnaires were used to collect data from selected respondents in the organizations under the study. The data collected using this method is usually reliable, accurate and very effective and this makes the research findings accurate.

#### **3.7 Pilot Study**

A pilot study was done at Ikuuni hotel which is one of the hotels in Machakos Town. The pilot study was to show weaknesses of the research tools before being administered to the target population (Cooper & Schindler, 2003). The pilot study was made to test the validity and reliability of the research instruments. Completed questionnaires were corrected and edited for completeness. They were then administered to the sampled respondents. Collected data was systematically organized for analysis.

#### **3.8 Data Processing and Analysis**

Tabulation of data refers to the systematic arrangement of the statistical data into tables consisting of columns and rows (Kothari, 2004). The researcher used the descriptive statistics in the data analysis and integrated both the qualitative and quantitative measurers. The collected data was tabulated in columns and rows in a logical sequence thereby giving the shape of statistical tables. This prepared the ground for the analysis and interpretation of data. The tables were divided into appropriate rows and columns.

According to Kothari (2004), data analysis refers to examining what has been collected in a survey or experiment and making deductions and inferences. Data analysis involves assigning numerical values to responses. Since much of the collected data was qualitative, information obtained was analyzed systematically so as to achieve logical conclusions and recommendations. Using the research questions to

guide the analysis, frequency counts, percent distributions, and determination of means and medians were calculated for the responses where appropriate.

Raw data collected was analyzed to ease interpretation. Data was analyzed in a systematic way in order to come up with some conclusions and recommendations. Data from questionnaires and observations was analyzed as well, to establish the relationship between the variables. Data was then presented using tables and graphs for easier interpretation by the users.

## **CHAPTER FOUR**

### **RESEARCH FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

This chapter deals with data presentation, analysis and interpretation of the research findings to determine the factors affecting the employee turnover in the hotel industry in Machakos town, Machakos County. The researcher made use of frequency tables, percentages as well as pie and bar charts to present the data.

#### **4.2 Sample Characteristics**

The researcher collected both qualitative and quantitative data from the sampled population by use of questionnaires. The questionnaires were administered to different employee categories within various departments of the hotels. Fifty four (54) questionnaires were distributed to the respondents and forty seven (47) of them were filled and returned giving a response rate of 87.3%. According to Babbie (2008), a response rate of 50% and above is adequate for analysis. Quantitative data was coded and analyzed in themes relevant to the objectives of the study. The findings were presented using the frequency tables, pie charts and bar graphs in line with the objectives upon which the study was based.

##### **4.2.1 Empirical Findings**

The first part of the questionnaire dealt with the background information of the respondents because it was assumed that the attributes of the respondents influenced their behavior and attitude within the hotel setting. Data was collected using questionnaires from the critical staff in various levels of operations including the management staff, middle level staff and the lower cadre staff.

##### **4.2.2 Background Information**

The employees in the hotel industry are either male or female and are distributed across the various sectors in the hotels. From the data collected, there seems to be gender parity of the sampled staff to a greater extent, though the males still dominate the industry with a higher percentage of 55.30%, compared to their female counterparts who make up a respectable 44.70%.

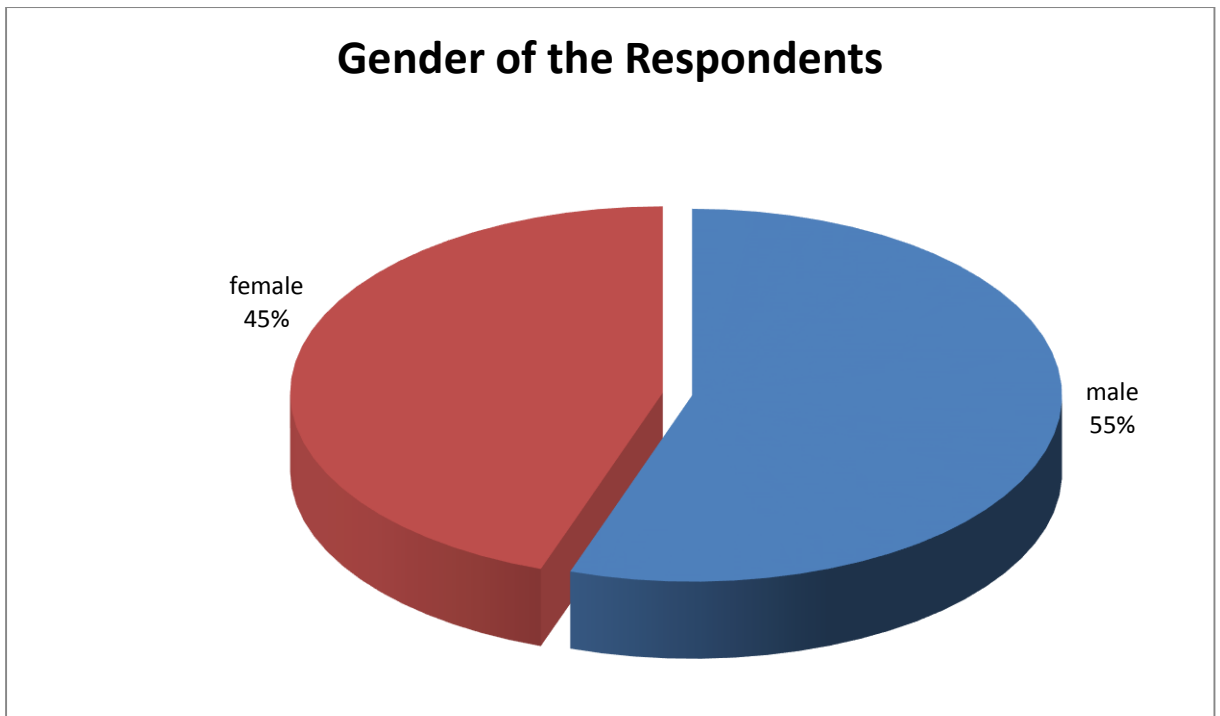


Figure 4.1 Gender of the Respondents

The hotel employees are distributed in various categories and in this study they were grouped into three critical categories as shown in the above pie chart. According to the response received, 22.6% of the total respondents were in management, 31.2% were in middle level members of staff while a greater percentage of 46.2% serve as low cadre employees. Some members of staff serve both in the management and the middle level of categories. This was enough evidence that the study explored all the targeted levels of staff as shown in figure 4.2.

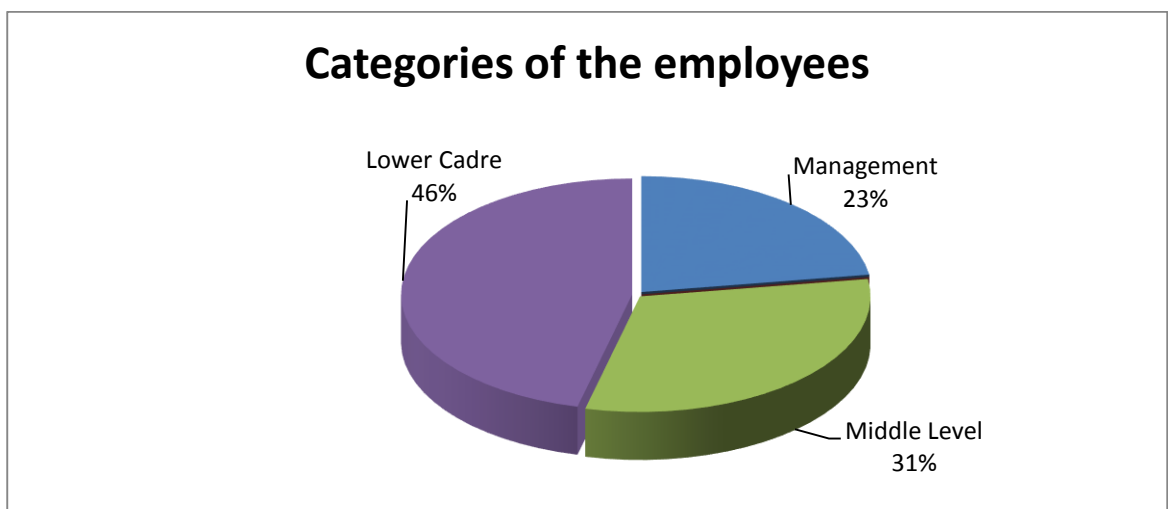


Figure 4.2 Current Position in the Hotel

The staff members in hotels in Machakos town are recruited at different levels of education depending on their areas of operation and this is well evident from figure 4.3. According to the research findings represented in figure 4.3, majority of the respondents were diploma holders 21 of the total respondents, followed by the certificate holders forming 14 of the total respondents and on the lower end the secondary school certificate holders comprising 10 respondents and the least were the degree holders comprised of a mere 2 respondents who were found only in the management level. This is enough evidence that all the critical levels of staff were involved in this study.

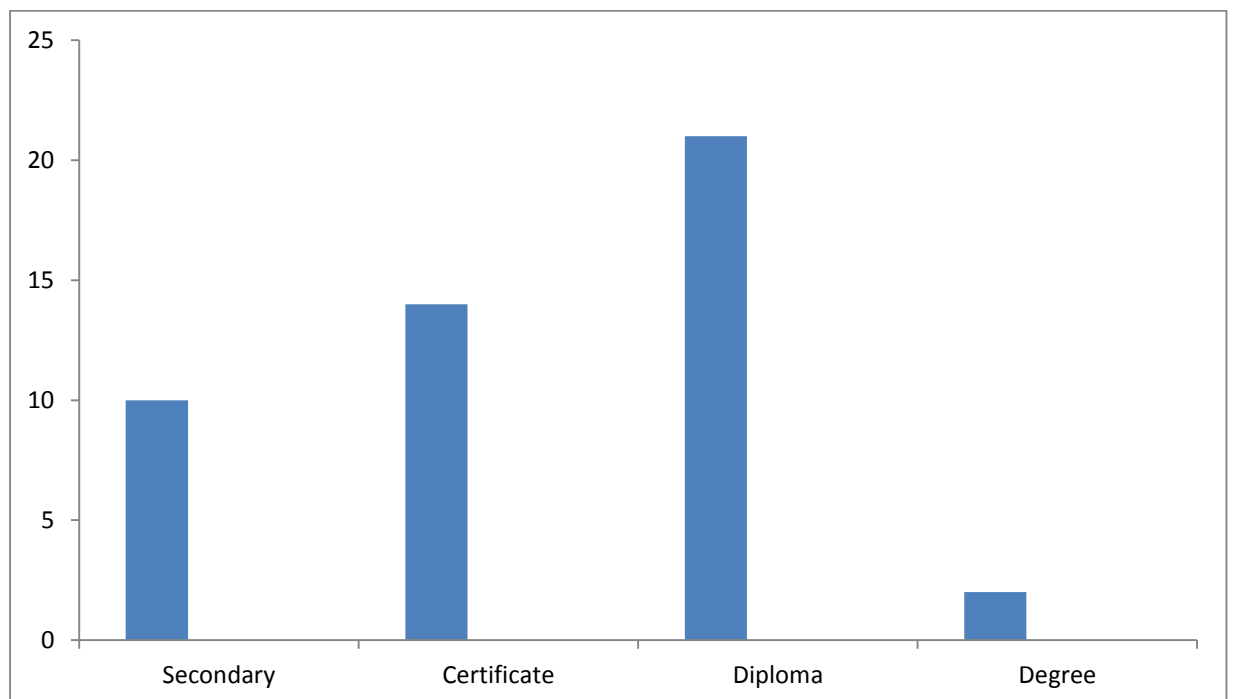


Figure 4.3 Highest Level of Education

From the research findings it is true that most employees in the hotel industry in Machakos town have skills in hotel operations accounting for 62% of the total population. A small percentage of 38% did not have any skills in hotel management. This was an indication that majority of the people working in hotels in Machakos



town have undergone formal training in operations of hotels and hence they have the required professional skills.

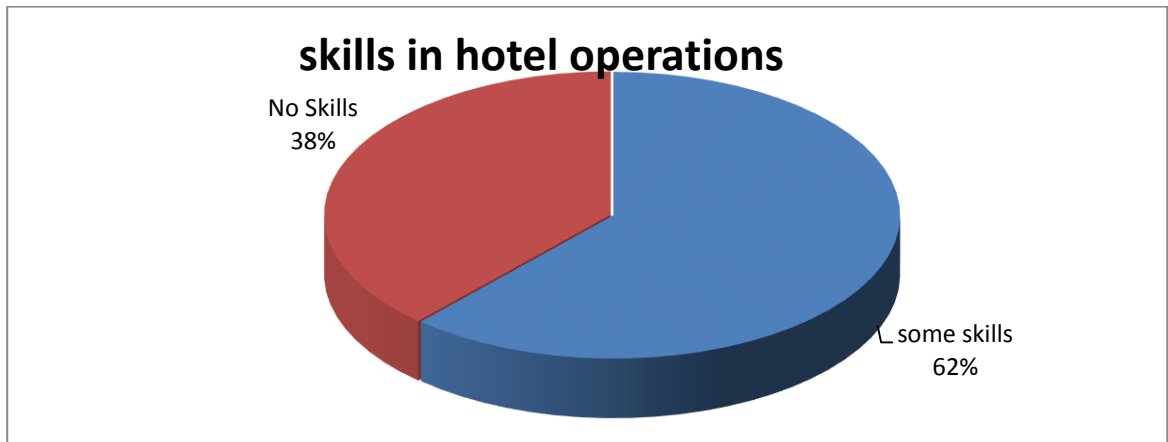


Figure 4.4 skills in hotel operations

The employees in the hotel industry in Machakos town are composed of different age brackets as evident in the table 4.1. According to the research findings; majority of the employees lie between 20-40 years, accounting for over 53% of the total respondents. This goes a long way to reinforce the argument that this important sector of the economy is driven by school leavers and young adults. The age bracket of 41-50 years old follows with a percentage of 27.7%, then above 50 years of age accounted for 10.6% while the rest were below 20 years accounting for 8.5% of the total population.

**Table 4.1 Age Cohorts of the Respondents**

| Age            | No. of Respondents | Percentage  |
|----------------|--------------------|-------------|
| Below 20 years | 4                  | 8.5%        |
| 21-30 Years    | 11                 | 23.4%       |
| 31- 40 Years   | 14                 | 29.8%       |
| 41- 50 Years   | 13                 | 27.7%       |
| Above 50 Years | 5                  | 10.6%       |
| <b>Total</b>   | <b>47</b>          | <b>100%</b> |

Depending on when each employee was recruited, each of the respondent employees had worked in the hotel industry for various lengths of time as shown in the graph below. From the research findings it is true that majority of the employees had worked in the hotel industry for a period between 0-10 years forming a frequency of 27 of the total respondents. The group that had served for a period of above 20 years had a frequency of 9 slightly above the group that had served for between 10-15 years and 15-20 who formed a frequency of 6 and 5 respectively. It is clear from the above information that majority of the employees in the hotel industry have served for a period less than 10 years and this indicates that they lack much experience in the industry.

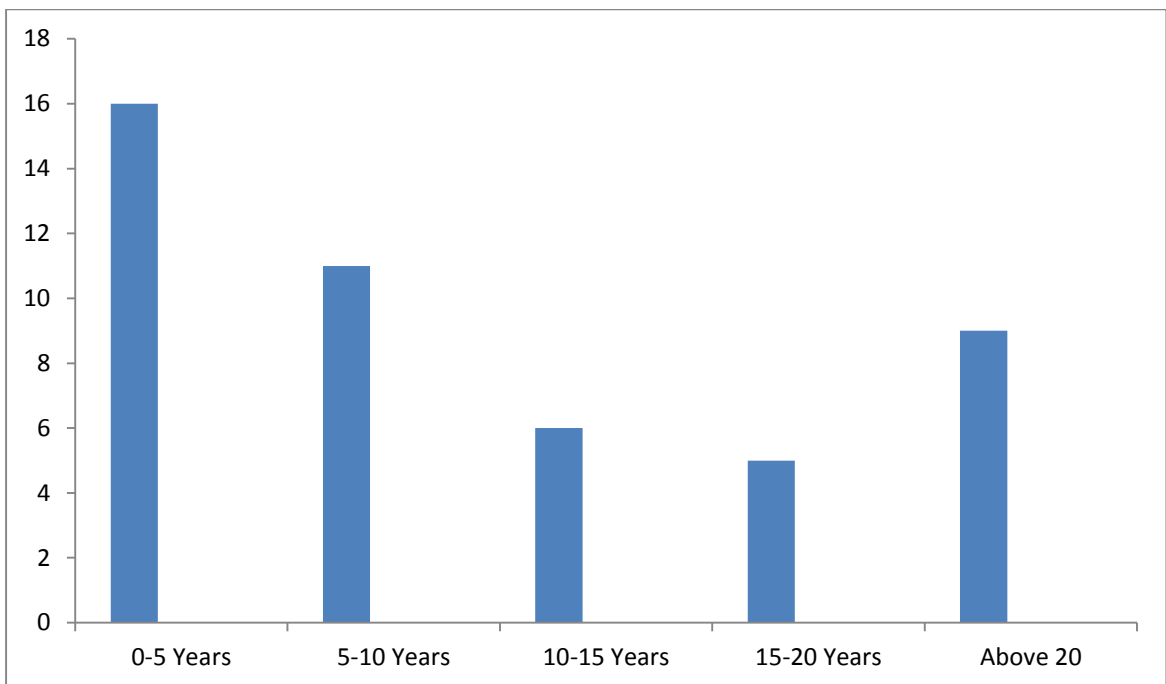


Figure 4.5 total working experience in the hotel industry

Majority of the employees have served with their current employers (hotel) for a period of between 2-4 years making a frequency of 16 out of the total population. A slightly lower number of employees (10 to be precise), have served in the same hotels for periods of between 4-6 years. A group of 9 employees of the total 47 have served in the same hotel for periods of between 6-8 years. On the lower end, a group of 7 and 5 respondents have served in the same hotel for periods of between 0-2 years and above 8 years respectively. This shows that there is a very high rate of employee turnover in the hotel industry in Machakos town.

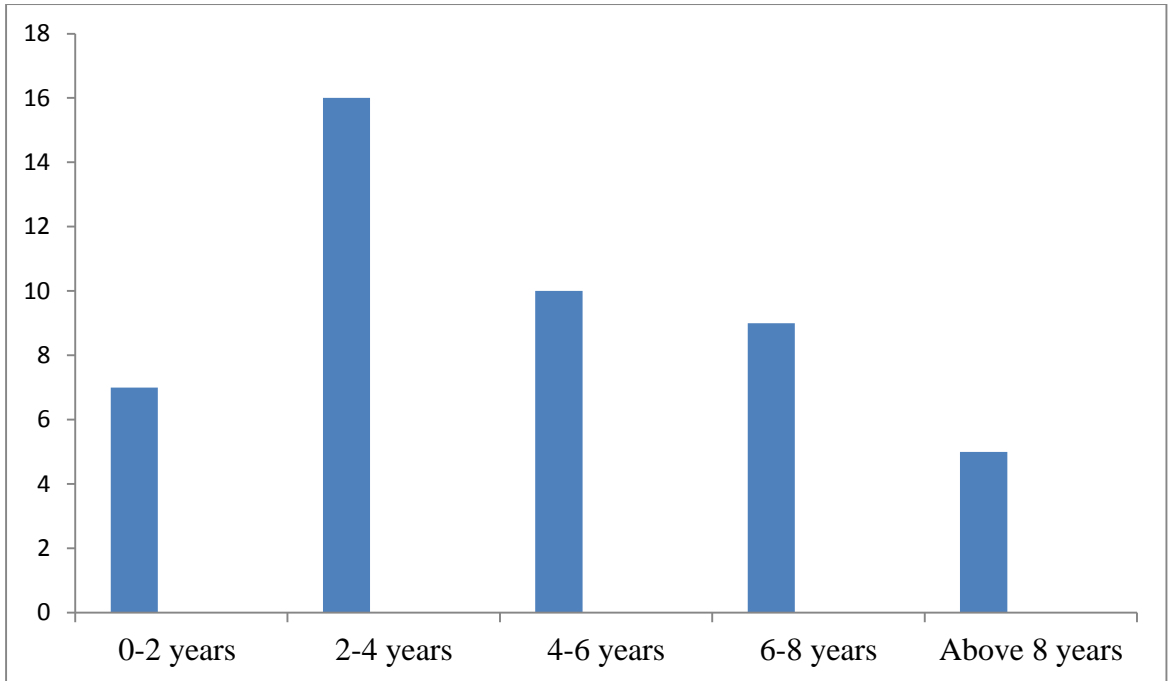


Figure 4.6 No. of years worked in the current hotel

### 4.3 Findings and Discussions on the Objectives

#### 4.3.1 Introduction

This section discusses the three research objectives as they influence the employee turnover in the hotel industry in Machakos town. The researcher sought to understand how different aspects of each of the three objectives impacted on the employee turnover by setting out questions relating to each of the objectives. The results were analyzed using tables and charts as shown below.

#### 4.3.2 Organizational Factors

Organizational factors play a major role in the rate of turnover. From the data collected and analyzed, the respondents agree that organizational factors have a great contribution to the rate of employee turnover in the hotel industry as summarized in table 4.2

Table 4.2 Distribution Measure of the organizational factors

|                                | SA(5)     | A(4)      | NS(3)    | D(2)     | SD(1)    | Mean       | S/Dev       |
|--------------------------------|-----------|-----------|----------|----------|----------|------------|-------------|
| Managers Leadership Style      | 7         | 26        | 4        | 9        | 1        | 3.6        | 0.30        |
| <b>Career Growth Structure</b> | <b>15</b> | <b>28</b> | <b>2</b> | <b>1</b> | <b>1</b> | <b>4.2</b> | <b>0.72</b> |
| Organizational Culture         | 14        | 12        | 16       | 3        | 2        | 3.7        | 0.36        |
| Toxic Work Environment         | 1         | 8         | 13       | 24       | 1        | 2.7        | 0.01        |
| Peer Pressure                  | 1         | 16        | 13       | 6        | 11       | 2.8        | 0.02        |
| Recruitment Policies           | 6         | 11        | 19       | 7        | 4        | 3.2        | 0.12        |
| <b>Motivation</b>              | <b>25</b> | <b>9</b>  | <b>7</b> | <b>4</b> | <b>2</b> | <b>4.1</b> | <b>0.64</b> |

**Interpretation key**

SA-Strongly Agree

A-Agree

NS-Not Sure

D-Disagree

SD- Strongly Disagree

**Scale of interpretation**

0 - 0.25 very weak

0.25 - 0.5 weak

0.5 - 0.75 strong

0.75 - 1 very strong

$$Mean = \frac{\sum(X)}{N}$$

Where

$\Sigma$  = Sum of

X = Individual data points

N = Sample size (number of data points)

$$S/Dev = \frac{\sum(x-m)^2}{n-1}$$

$\Sigma$  = Sum of

X = Individual score

M = Mean of all scores

N = Sample size (number of scores)

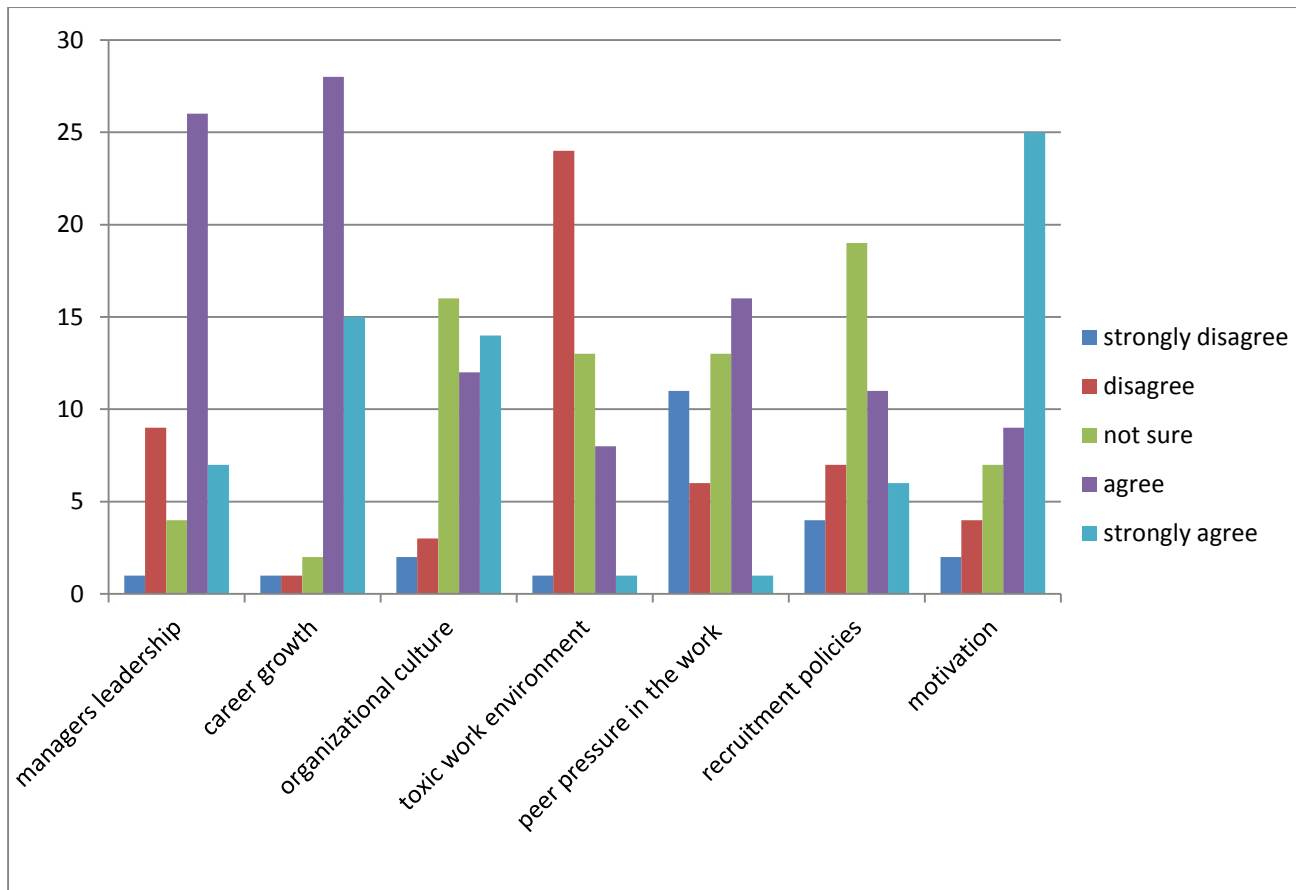


Figure 4.7 responses on the effects of organizational factors on the rate of employee turnover

On managers style of leadership a great number of the respondents agree that it has an impact on the rate of employee turnover in the hotel industry in Machakos town in Machakos County. A frequency of seven respondents strongly agrees and twenty six agree that manager’s style of leadership creates an avenue for employee turnover. Four of them are not sure while nine disagree and one of them strongly disagrees.

Career progression is another element which is of utmost importance to almost each and every employee sampled. A great population agreed that career growth structure in the hotel industry impacts on the rate of employee turnover in the hotel industry. Fifteen of the total respondents strongly agreed and twenty eight agreed forming a percentage of 91.50%. A percentage of 4.30% were not sure and one disagreed and one strongly disagreed. This therefore singles out the fact that career progression is the single most important factor leading to staff turnover in Machakos town.

Many of the respondents were not sure about the impact of organizational culture on employee turnover in the hotel industry in Machakos town. A total of 16 respondents out of the total returned a verdict of not sure. However, 12 and 14 respondents respectively either agreed or strongly agreed that organizational culture has impact on the employee turnover in the industry, which translates to 59.60% of the total population. Only 2 and 3 respondents of the total strongly disagreed or disagreed respectively, on this aspect.

Majority of the population disagreed that toxic work environment plays a role in the employee turnover in the hotel industry in Machakos town. One of them strongly disagreed and 24 others disagreed with this aspect. This could be because the hotels in Machakos town ensure that the environment is conducive for both the customers and the employees. Another group of 13 respondents were not sure while 11 others agreed with the assertion.

Peer pressure in the organization seemed to take balanced sides with 17 respondents of the total population strongly disagreeing or disagreeing and a similar number (17) agreeing or strongly agreeing that it has impact on the employee turnover. Of the total, 13 respondents were not sure of this aspect.

A majority of the population seemed not to be sure if the recruitment policies had an impact on the rate of employee turnover. This covered a frequency of 19 or a percentage of 40.40% of the total population. On the other hand a population close to that seemed to agree covering 11 and 6 who strongly agreed to that aspect. Only seven disagreed and 4 strongly disagreed.

Most respondents strongly agreed to the fact that motivation in the organization has a great influence on the rate of employee turnover in the hotel industry. 25 of the total population strongly agreed forming a percentage of 53.20%. Followed by 9 who agreed, 7 of the total respondents were not sure and only 4 and 2 disagreed and strongly disagreed respectively.

### 4.3.3 Individual Factors

Individual factors refer to the factors that affect an employee as an individual and the organization may not have much control over these factors. In this research the factors considered included; an employee's level of education, career aspirations of the employee, age of the employee, gender of the employee, exposure, incapacitation and work experience of the employee. The respondents' opinions are as summarized in table 4.4

Table 4.4 Distribution Measure of the Individual Factors

|                           | SA(5)     | A(4)      | NT(3)    | D(2)     | SD(1)    | Mean       | S/Dev       |
|---------------------------|-----------|-----------|----------|----------|----------|------------|-------------|
| Level of Education        | 20        | 15        | 4        | 2        | 6        | 3.9        | 0.49        |
| <b>Career Aspirations</b> | <b>21</b> | <b>19</b> | <b>6</b> | <b>2</b> | <b>1</b> | <b>4.3</b> | <b>0.81</b> |
| Age of the Employee       | 5         | 17        | 15       | 9        | 1        | 3.3        | 0.16        |
| Gender of the Employee    | 4         | 22        | 13       | 6        | 2        | 3.4        | 0.20        |
| Exposure of the Employee  | 13        | 18        | 11       | 4        | 1        | 3.8        | 0.42        |
| Incapacitation            | 6         | 13        | 20       | 6        | 2        | 3.3        | 0.16        |
| <b>Work Experience</b>    | <b>25</b> | <b>15</b> | <b>2</b> | <b>3</b> | <b>1</b> | <b>4.2</b> | <b>0.72</b> |

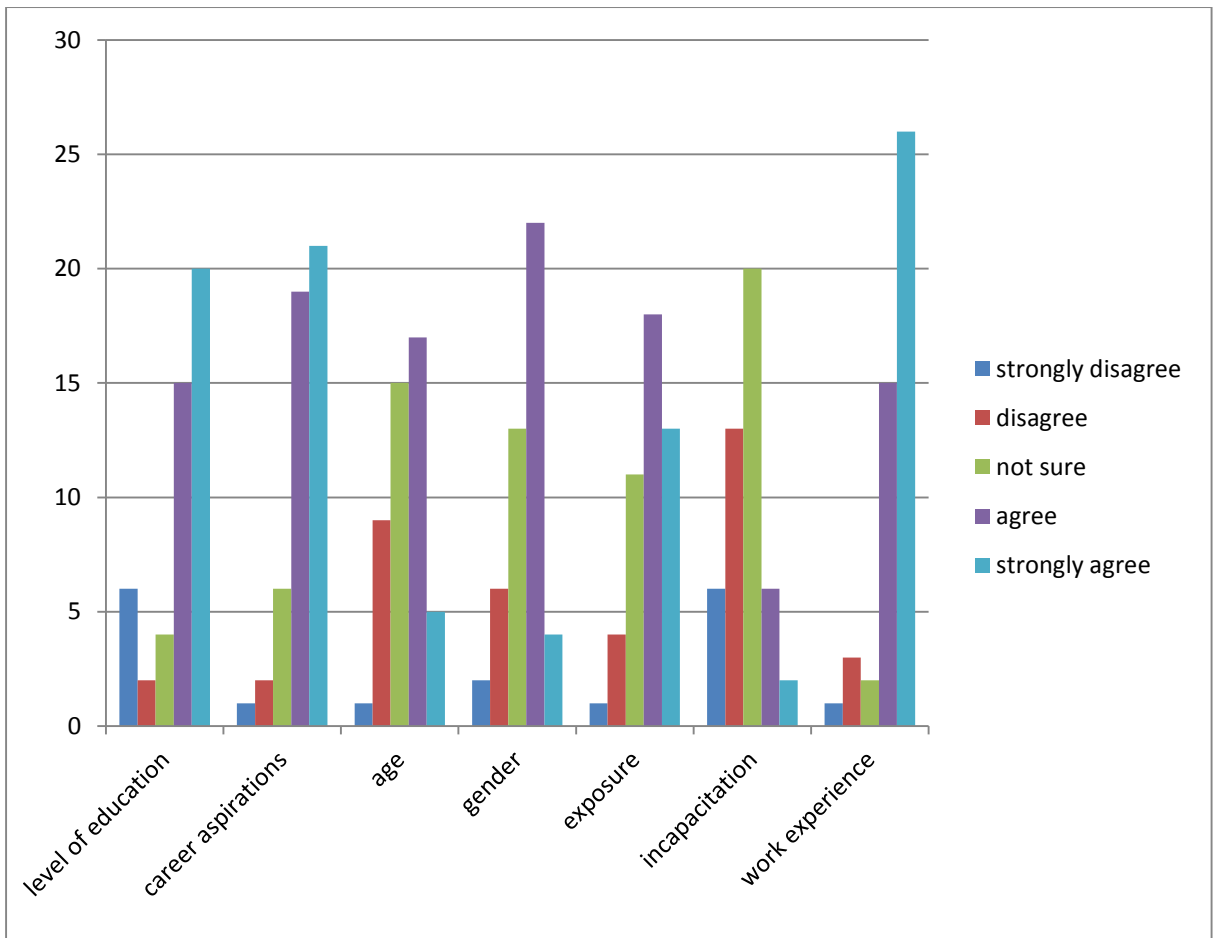


Figure 4.8 Responses on the effects of individual factors on the rate of employee turnover

Most of the respondents agreed that the level of education has an impact on the employees' turnover in the hotel industry in Machakos town. 35 of the total respondents (i.e. 75.4%) agreed that the level of education affects the rate of employee turnover while 8 disagreed to this aspect. 4 were not sure that the level of education has an impact on the rate of employee turnover.

A greater percentage seemed to concur to the fact that career aspirations of the employee create more incentives for them to change from one employer to the other. Forty (40) of the total population i.e. (85.10%) agreed that an individual's career aspirations will make them change jobs. Only 3 of the respondents (i.e. 6.50%) disagreed, while four (4) were not sure.



On the question of age of the employee as a factor for turnover, a good percentage agreed that it has an impact on the rate of employee turnover in the hotel industry. This composed of 22 respondents forming a percentage of 46.80%. 15 of the respondents were not sure and 10 disagreed.

Most of the respondents seemed to agree that gender of the employee contributes to the rate of the employee turnover in the hotel industry in Machakos town. 26 of the employees were in agreement forming a percentage of 55.30%. 15 of the total population were not sure and 9 of them disagreed to this aspect. Only one strongly disagreed to this aspect.

Exposure of the employee refers to how much the employee has been exposed professionally, socially and academically. Most of the respondents agreed that exposure of the employee plays an important role in the employee turnover. 31 of them concurred to this aspect while 11 were not sure and 5 disagreed.

Incapacitation was used to refer to the inability of a given employee to perform the given tasks that maybe assigned to them for some reason or another. Most of the respondents were not sure of this aspect's contribution to the employee turnover forming a great percentage of 42.60%. 13 of the employees forming a percentage of 27.70% disagreed. 6 respondents strongly disagreed, an equal number of 6 agreed while 2 strongly agreed.

On the question of work experience, a great percentage of 87.10% comprising of 41 respondents strongly agreed that work experience has influence on employee turnover in the hotel industry. 4 disagreed, 2 were not sure. This meant that, only 8.60% were for the opinion that, work experience does not contribute to employee turnover.

#### **4.3.4 Job Related Factors**

The last objective was job related factors where several aspects relating to the nature of the job were explored. They included; job clarity, work load, pay package, odd working hours, lack of challenge and the style of leadership applied by the management. The most important was the extent to which these factors affect

employee turnover in the hotel industry. The responses were as summarized in table 4.5

Table 4.5 Distribution Measurement of Job Related Factors

|                            | SA(5)     | A(4)      | NT(3)    | D(2)     | SD(1)    | Mean       | S/Dev       |
|----------------------------|-----------|-----------|----------|----------|----------|------------|-------------|
| <b>Job Clarity</b>         | <b>21</b> | <b>19</b> | <b>2</b> | <b>4</b> | <b>1</b> | <b>4.1</b> | <b>0.64</b> |
| Workload                   | 13        | 15        | 2        | 6        | 11       | 3.2        | 0.12        |
| <b>Pay Package</b>         | <b>26</b> | <b>13</b> | <b>4</b> | <b>2</b> | <b>2</b> | <b>4.3</b> | <b>0.81</b> |
| Job Stress                 | 7         | 11        | 9        | 13       | 7        | 3.0        | 0.06        |
| Odd Working Hours          | 2         | 9         | 5        | 15       | 16       | 2.3        | 0.01        |
| Lack of Challenge          | 4         | 6         | 9        | 2        | 26       | 2.1        | 0.04        |
| <b>Style of Leadership</b> | <b>26</b> | <b>15</b> | <b>3</b> | <b>1</b> | <b>2</b> | <b>4.2</b> | <b>0.71</b> |

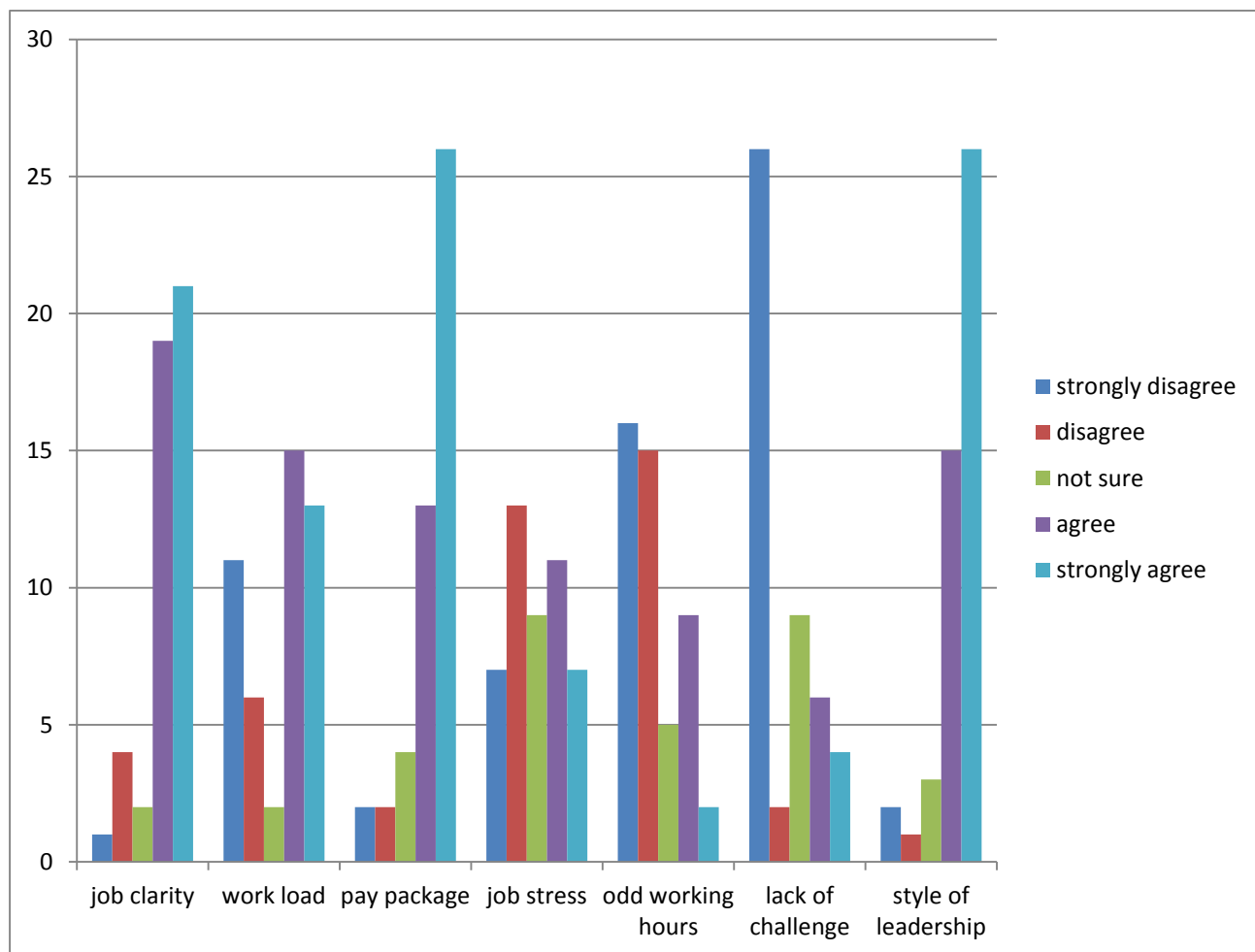


Figure 4.9 response on the effects of job related factors on the rate of employee turnover

Most of the respondents agreed that job clarity plays an important role on the rate of employee turnover in the hotel industry in Machakos town. 40 of the respondents agreed to this aspect. Only two were not sure with the rest (5) disagreeing.

A good percentage of the total respondents (59.57%) agreed that workload has a bearing on the rate of employee turnover with 28 agreeing and 17 of the total respondents disagreeing, and only 2 were not sure.

Pay package refers to the various remunerations that employees are given in response to the services rendered. Most of the respondents strongly agreed that pay package contributes much to the rate of employee turnover in the hotel industry. 39 of the total respondents agreed to this aspect (82.90%). 3 of the total population were not sure while 4 disagreed.

On the question of job stress most of the employees (20) disagreed that job stress affects the rate of employee turnover. 18 agreed and 9 were not sure of this aspect.

Most of the respondents responded negatively to the question of odd working hours. 31 of the total respondents forming a percentage of 66.10% disagreed. 5 were not sure forming a percentage of 10.64%. 9 of the total respondents agreed to the aspect of odd working hours and only 2 strongly agreed.

On the question of lack of challenge, 26 of the respondents forming a percentage of 55.30% strongly disagreed to the aspect that lack of challenge leads to employee turnover. 9 were not sure with a low population of 6 agreeing, 4 strongly disagreed and only 2 disagreed.

A majority of the respondents sampled (41) forming a percentage of 55.30% agreed that the style of leadership contributes a lot to the level of employee turnover in the hotel industry in Machakos town. Three were not sure (6.0) while three (6.0) disagreed.

#### **4.3.5 Measurement of the Variables**

Generally, job related factors influenced the rate at which employees moved from one employer to the other. Thirty five (35) of the respondents forming a percentage of 74.40% agreed that job related factors have a great influence on the rate of employee turnover against 11 respondents who disagreed. Only 1 respondent was not sure.

On the question on individual factors affecting staff turnover, the responses showed that 28 respondents accounting for a percentage of 59.50% of the total respondents agreed it had an impact on the rate of employee turnover in the hotel industry. 9 of them were not sure. 10 of them disagreed.

A great percentage of 40.40% comprising of 19 respondents strongly agreed that organizational factors have a great influence on the rate of employee turnover in the hotel industry in Machakos town. 16 of the respondents making a percentage of 34.0% agreed to this aspect. 4 of them making a percentage of 8.50% were not sure of this aspect's contribution to the employees' turnover. 7 and 1 disagreed and strongly disagreed respectively.

#### **4.6 Discussion on Findings**

One of the major findings in this research is that motivation and pay package given to employees are some of the job related factors which causes employee turnover in the hotel industry in Machakos town. These findings agree with the findings of Casey, 2013 who did a research on whether child welfare agencies pay their child welfare workers competitively. She found out that most of them do not compensate their employees competitively. As a general rule, public jurisdictions pay better than private, non-profit agencies. Recent research conducted by the Foundation documents that social service jobs consistently rank among the five worst-paying professional jobs tracked by the U.S. Bureau of Labor Statistics for both men and women. In fact, "social services pay its workers less than any other sector that hires similarly qualified people for similar jobs". According to her findings, this has resulted to the increased rate of employee turnover in the welfare agencies compared to private non-profit agencies" (Casey, 2013).

The findings of this study established that, lack of involvement and poor remuneration as the two main organizational factors that contributed to resignation among staff in the hotel industry cited at 43% and 54.3% respectively of the total respondents. This study agrees with the findings of a research carried out by Kuria, S., Alice, O., & Wanderi, P. (2012) to establish the internal and external causes of labour turnover in three and five star hotels in Nairobi city. Their research revealed that, lack of involvement of staff in decision making and poor remuneration were the two main organizational factors that contributed to resignation among staff cited at 56% and 60% respectively of the total respondents. The findings of their research agree with the findings of the current study.

In a similar study by Hammerberg (2001) on the reasons given for employee turnover in a full priced departmental store, it was found out that the length of employment for an employee was a major factor contributing to the exit tendencies. He found out that among employees of between 0-12 months, the rate of attrition was at 67.7% compared to those of over two years which was at 16%. This agrees with the findings of this study which indicated that 55.3% strongly agreed that the experience of the employee greatly contributed to employee turnover.

The research by Hammerberg, (2001) also revealed that job related factors accounted for 37.4% on exit of employees followed by individual reasons at 29.4%. The main reasons provided for job related factors include; salaries, career growth, job scheduling for both full-time and part-time employees. Though the job related factor is well identified in this study, the current study finds it more overwhelming with 74.4% making it more on the higher side, followed by individual factors at 59.5%.

According to Bernthal et al. (2000), turnover is likely to increase as time goes by and this is problematic due to the fact that turnover is costly for an organization. Unfortunately, the problem of turnover is not always addressed effectively even though human resource professionals consider it problematic. Bernthal et al. (2000) reported that greater than 1/3 of human resource professionals they surveyed saw

retention as a pressing issue. However, almost half of organizations interviewed had no formal strategy for addressing the problem of retention. This study agrees to the current study which generally found out that, the employees agree that organizational factors affect the rate of employee turnover in the hotel industry in Machakos town. Specifically, 70.21%the respondents agreed that the manager's style of leadership contributes to a greater extend to the rate of employee turnover. On career growth the study shows that 91.48% of the respondents agreed that it influences employee turnover in the hotel industry. International Survey Research suggested that most organizations rely on the reactive strategy of gaining data from exit interviews to make organizational changes to promote retention. This is problematic. According to ISR, not only is this reactive, but the data captured at an employee's exit does not accurately represent the state of mind the employee was in when he or she contemplated leaving the organization. ISR suggested that to be truly proactive, companies need to understand the key factors that influence turnover. Bernthal et al. (2000) suggested that the most effective interventions are those that include the understanding of why employees leave. This study agrees with the findings of the current study in that although most of the respondents had been in the hotel industry for less than five years, most of the respondents had been in the same hotel for less than two years. This clearly shows that the rate of employee turnover is relatively high.

According to a study by Sanford (2003) he found out that disengaged employees cost their businesses financially via decreased profits, decreased sales, lower customer satisfaction, and lower productivity; furthermore, Sanford reported that Gallup estimated that actively disengaged employees may cost the American economy up to \$350 billion per year in lost productivity. HRD can encourage employee engagement in the workplace by emphasizing high impact learning, performance and change. This study agrees to the current study which has found out that, Job related factors are those that specifically touch on the nature of assignments that an employee is assigned. Odd working hours and lack of challenge were both rated as the least factors affecting the rate of employee turnover in the hotel industry in Machakos tow

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter contains a summary of the analyzed data on the factors affecting the rate of employee turnover in the hotel industry in Machakos town. The chapter further gives conclusions from the analyzed data and recommendations thereafter.

#### **5.2 Summary**

Most of the employees in the hotel industry in Machakos town lie between the ages of 31-40 years and very few are below 20 years or above 50 years. The difference in numbers between the male and the female employees in the hotel industry in Machakos town is not wide, being less than 10.01%. Most of the employees have academic qualifications that make them competent enough to undertake the tasks that are assigned to them with more than 74.50% having either a diploma or a certificate in different fields of operations. A greater majority has served in the hotel industry for less than 10 years forming a percentage of 57.45%. On the other hand, only 7 have served in the same hotel for less than a year. Most of the employees have at least a special skill in hotel operations.

Generally, the employees agreed that organizational factors affect the rate of employee turnover in the hotel industry in Machakos town. Specifically, 70.21% of the respondents agreed that the manager's style of leadership contributes to a greater extend to the rate of employee turnover. On career growth, the study shows that 91.48% of the respondents agreed that it influences employee turnover in the hotel industry in Machakos town. From the findings, the respondents also agreed that organizational culture contributed to employee turnover in the hotel industry. A large percentage of 80.85% of the total respondents did not agree that toxic environment was a contributor to employee turnover in the hotel industry with only 19.15% agreement. Peer pressure was also not rated as a contributing factor to the employee turnover in the hotel industry in Machakos town. Recruitment policies were given a low support of 36.17% as a contributing factor to employee turnover. Motivation in

the organization was fully supported as a contributing factor to employee turnover in the hotel industry in Machakos town with 72.34% agreement.

The level of education was rated as one of the main contributors to high rates of employee turnover at the personal level. It was given 74.45% support. Career aspiration was also considered as a major element contributing to employee turnover at a personal level and it was rated at 85.10%. The age of the employee was not given much consideration as a contributing element to the employee turnover in the hotel industry in Machakos town. Gender and exposure of the employee were however given low consent as factors affecting employee turnover. Incapacitation was not rated as a major factor affecting employee turnover in the hotel industry. Work experience was considered a main factor affecting employee turnover and given an 83.23% agreement.

Job related factors are those factors that specifically touch on the nature of assignments that an employee is given. Job clarity was given a 44.60% citation as a factor affecting employee turnover. Workload was rated at 27.70% as a contributing factor to the rate of employee turnover. Pay package was rated at 58.30% to affect the rate of employee turnover. Job stress was given a low rating of 14.90%. Odd working hours and lack of challenge were both rated as the least factors affecting the rate of employee turnover in the hotel industry in Machakos town. They were given 04.30% and 08.50% respectively. Style of leadership at the job level was given a 51.25% rate as a contributor to high rates of employee turnover in the hotel industry in Machakos town.

### **5.3 Conclusions**

Very few young employees are willing to join and work in the hotel industry for long as evidenced by the dominance of the industry by employees who are between 31- 40 years of age. The males dominated the female population in the industry. The rate of employee turnover in the industry is high as evidenced by the fact that 27 respondents of the total respondents (47) had served in the industry for less than ten years while only 5 of the 47 respondents had served in the same hotel for more than 10 years. The



manager's style of leadership is a concern to the employees because it has a bearing on their work security and career growth. Employees would wish as much as possible to attain the highest job profile as possible. This results into a great concern to the career growth structure and the organizational culture.

Most of the hotels have clean and conducive work environment, that's why most of the employees consider toxic work environment as a lesser factor contributing to employee turnover. Most of the employees are mature enough to avoid peer pressure thus peer pressure is not a factor contributing to employee turnover. Since employees are not looking for new opportunities, they are not concerned with the recruitment policies. Employees require to be motivated by the various motivational factors in order to be satisfied with their current positions. Academically qualified employees are more satisfied with their work than the least qualified. This is because employees who are qualified are in the higher positions. Different employees have different career aspirations depending on the level they are currently employed and their level of education. Age and gender of the employee alone do not have much impact on the employee satisfaction since this is what results in to the employee turnover. Work experience determines the employee exposure in the industry and it too contributes much to turnover.

An employee who is more exposed out of experience expects to be promoted when an opportunity arises. Most of the employees are qualified for the various jobs they are hired so the issue of incapacitation does not arise. Employees expect their duties and responsibilities to be well defined and the work load to be as per the agreement terms. If they are overloaded, the employees will tend to seek another employer who is not overloading them. Every employee would wish as much as possible to be compensated for their services effectively. If the tasks awarded do not match the kind of remunerations offered the employees will also seek other opportunities. Any other responsibility task to the employees by the organization, the employees expect to be remunerated accordingly. Most employees are not concerned job stress and odd working hours. Few employees will consider lack of challenge in their daily performance. Every employee is much concerned with the style of leadership that the

organization has down from the persons in charge of their area of work up to the highest level of management.

#### **5.4 Recommendations**

This research study sought to establish the factors affecting the rate of employee turnover in the hotel industry in Machakos town, Machakos County. From the conclusions made, the following are the main recommendations.

##### **5.4.1. At the Organizational Level**

The hotel managers should adopt leadership styles that do not have negative impact on the employees` morale.

The hotel management should also come up with structures that support career growth including; training and workshops to provide its employees with career growth opportunities.

Hotels should adopt a culture that appreciates employees and recognizes their efforts such as rewards and recognition to well performing employees.

Hotel management should have regular programs to adress social challenges to reduce peer-pressure in the work environment.

Management should ensure that the employees are well motivated to perform their tasks by offering good incentives and recognizing the well performing employees.

##### **5.4.2. At the Individual Level**

Though the management have little to do on the individual factors, it is possible to contain turnover by assigning tasks and ranks depending on the level of education. Career aspirations can be determined by the way employees add their education during their tenure.

The hotel management should promote employees who seem to be more inspired career wise.

Hotels should also appreciate the aged for the experience they have in the industry and their combined competence.

Employees who have more experience are more exposed and therefore the hotel management should promote employees based on their experience and exposure both

in their hotel and in the whole industry as a whole. This will reduce the level of incapacitation to perform.

### **5.4.3. At the Job Level**

The management should clearly define the task roles and the expected performance of each employee in the contract.

Employees should not be overloaded with tasks that they can't manage.

The employer should provide commensurate pay package for the specific tasks assigned to the employees. If extra tasks are assigned or an overtime performance apart from the normal tasks provided in the contract terms, the employer should remunerate the employees for the same.

In general, the management should ensure that, there is a conducive working environment for the employees. This includes aspects such as conflict resolution and managers who lead by example.

### **5.4.4 Recommendation for Further Research**

The hospitality industry is one of the key sectors contributing to the development of this country and it consumes a lot of human capital. However this sector is experiencing high rate of employee turnover. Based on this there is need to investigate and provide empirical evidence on the factors affecting employee turnover in Machakos town, Machakos County and the solutions to the same. Future research could examine reasons for employee terminations for an entire year within the organization, as this would allow for any seasonal fluctuations in employment. Development of a more specific data-collection tool which would address such factors as changes in organizational strategies, the existence of support systems among employees, and inconsistencies in job expectations based on initial job description would provide valuable data for companies interested in improving employee turnover.

#### **5.4.5 Recommendations for Policy and Practice**

This research identifies a policy gap on matters of employee welfare in the hotel industry and it is highly recommended that the government comes up with policies to close these gaps and stem the rampant employee turnover in this sector.

## REFERENCES

- Abassi, S.M., and Hollman, K.W., (2005), *Turnover: the real bottom line*, *Public Personnel Management*, Vol. 2, Issue 3
- Agrusa, J., & Lema, J. D. (2007). *An Examination of Mississippi Gulf Coast Casino Management Styles with Implications for Employee Turnover* UNLV Gaming Research & Review Journal, 11(1), 13-26. Retrieved from EBSCO host
- Anderson, V., (2004), *Research Methods in Human Resource Management*, *Chartered Institute of Personnel and Development*; London 2<sup>nd</sup> edition
- Annie E. Casey Foundation. (2013). *The Unsolved Challenge of System Reform: The Condition of the Frontline Human Services Workforce*. Baltimore.
- Beam, J. (2009). *What is Employee Turnover?* Retrieved November 13, 2009, from WiseGEEK: <http://www.wisegeek.com/what-is-employee-turnover.htm>
- Collins Discovery Encyclopedia*, 1st edition © HarperCollins Publishers 2005
- Buck J.M. & Watson, J.L. (2002). *Retaining Staff Employees: The Relationship between Human Resources Management Strategies and Organizational Commitment*". *Innovative Higher Education*, Vol. 26, No. 3 pp175-193
- Burke, R. J., (2005), *Benefits of formal training courses within a professional services firm*, *The Journal of Management Development*, Vol. 14, issue 3
- Chang, E., (2009), *Career commitment as a complex moderator of organizational commitment and turnover intention*, *Human Relations*, vol. 52, issue 10
- Firth et.al (2004). *How can managers reduce employee intention to quit?* *Journal of Managerial Psychology*, vol.19(2), pp.170-187.
- Fitz-Enz, J. & Davison, B. (2001). *How to Measure Human Resource Management* (3rd ed.). McGraw-Hill. New York.
- Gary E (2007). *Attrition Rate in Some Indian Contact Centers is 100%*", taken from <http://www.voicendata.com>
- Hammerberg, H.J. (2002) *Reasons for employee turnover in a full priced department store*, (2<sup>nd</sup> ed.). McGraw-Hill. New York.
- Hinkin, T. & Tracey, J. (2000). *The cost of turnover: Putting a price on the learning curve*. *Cornell Hotel and Restaurant Administration Quarterly*, 14-21.
- <http://www.thefreedictionary.com/employee>

- <http://www.casagrandepress.com> *Understanding-generation-x-and-y-employees.pdf*
- Huselid M. (1995). *The impact of human resource management practices on turnover, productivity and corporate financial performance*. *Academy of Management Journal*, vol. 38(3), pp.635-672
- Kiamba, T. (2010). *Employee Turnover* Retrieved November 14, 2012 from [http://www.associatedcontent.com/article/employee\\_turnover.html](http://www.associatedcontent.com/article/employee_turnover.html)
- Kothari, C. (2004). *Research methodology: Methods and techniques* 2<sup>nd</sup> ed. New Age International publishers
- Kuria, S., Alice, O., & Wanderi, P. (2012). *Assessment of Causes of Labour Turnover in Three and Five Star-Rated Hotels in Kenya* *International Journal of Business and Social Science* Vol. 3 No. 15; August 2012
- Lashley, C. (2000), *Hospitality Retail Management: A Unit Manager's Handbook*, Butterworth-Heinemann, Oxford.
- Lashley, C. & Chaplain, A. (1999). *Labour turnover: hidden problem –hidden costs*, *The Hospitality Review*, Vol. 1 No. 1, pp.49-54.
- Lynn, M. (2002). *Turnover's relationships with sales, tips and service across Organizations*, Wiley, New York.
- Martin, C., (2008), *Explaining labour turnover: Empirical evidence from UK establishments*, *Labour*, vol. 17, issue 3
- Mello J. (2001). *Strategic Human Resource Management*, Cengage Learning, Indian Edition
- Mugenda, O. & Mugenda, G. (1999). *Research methods: Qualitative and quantitative approaches*. Nairobi ACTS Press.
- Mobley, W. (1982). *Employee Turnover: Causes, Consequences, and Control*. Reading, MA: Addison-Wesley.
- Morissette R.(2003). *Innovative work practices and labour turnover in Canada* taken from <http://www11.hrsdc.gc.ca/en/cs/sp/hrsdcrb/publications/research/2003-001327/page07.shtml>
- Morrell K.& Wilkinson J. (2004). *Organizational change and employee turnover*, *Personnel Review*, vol. 33(2), pp.161-173.
- Nair, G. (2007). *Is Attrition & Retention Boggling You*, <http://www.citehr.com>


- Narkhede , J. (2007). *Challenges of Human Resource Management in Borderless world*, *Global Journal of Management Science*, Vol. 2 PP. 167- 173
- Narkhede, M. et.al. (2007). *Global workforce in borderless world: challenges ahead*, presented paper at International conference at GITAM, Vishakhapatnam, (A.P.)
- Nicholls, L. & Buergmeister, J. (1993). *Retrenchment as a force for achieving creativity in hospitality education*, *Hospitality and Tourism Educator*, Vol. 5 No. 1, pp. 11-15.
- O'Connell, M. & Kung, C. (2007). *The cost of employee turnover, executive summary*, *Industrial Management*, Vol. 49 No. 1, pp. 14-19.
- Price, L. (1977). *Study of turnover Attrition a major risk to COS security* <http://www.business-standard.com/main.php> Iowa State University Press, Ames.
- Price, L. & Mueller, W. (1986). *Absenteeism and turnover of hospitality employees*. JAI Press, Greenwich, CT. restaurants in a chain”, *Hospitality Management*, Vol. 21 No. 4, pp. 443- 447.
- Rao, S. (2006). *Personnel & Human Resource Management*, Himalaya Publication, New Delhi, 3rd Edition.
- Rao, S. (2006). *Human Resource Management Text & Cases, Excel Books, Satisfaction and employee turnover*, *Journal of Applied Psychology*, Vol. 62 NO. 2, pp. 237-240. Second Edition Reprint
- Schuler, R. (1989). *Strategic human resource management*, *Human Relations*, Vol 42 No. 2, pp. 157-184.
- Schuler, R. & Jackson, S. (1987). *Linking competitive strategies with human resource management practice* *Academy of Management Executive*, Vol. 1 No 3, pp 207-219
- Solnet, D. & Hood, A. (2008). *Generation Y as hospitality employees: framing a research agenda*, *Journal of Hospitality and Tourism Management*, Vol. 15 No. 1, pp. 59-68.
- Stalcup, D. & Pearson, A. (2001). *A model of the causes of management turnover in hotels* *journal of hospitality and tourism research*, vol 25, no. 1 pp. 17-30, 2001.

- Sun, S. & Law, K. (2007). *High-performance human resource practices, citizenship behaviour, and organizational performance: a relational perspective*, Academy of Management Journal, Vol. 50 No. 3, pp. 558-577.26
- Shah, C & Burke, G 2005, '*Skill shortages: concepts, measurement and policy responses*', Australian Bulletin of Labour, Vol. 31, No. 1, pp. 44-71.
- Sharma R. (2008). *Attrition woes hit consumer goods industry*, <http://www.livemint.com/Attrition-woes-hit-consumer-go.html>
- Subramanian, K. et al. (2007). *Repricing and Executive Turnover*. The Financial Review 42 121–141
- Willis M. (2002). *Reducing Employee Turnover* taken from <http://www.missouribusiness.net/cq/Reducing> Employee Turnover.



## APPENDICES

### APPENDIX 1: AUTHORIZATION LETTER

  
SOUTH EASTERN KENYA UNIVERSITY  
OFFICE OF THE DIRECTOR  
BOARD OF POST GRADUATE STUDIES

P.O. BOX 170-90200  
KITUI, KENYA  
Email: [info@seku.ac.ke](mailto:info@seku.ac.ke)

TEL 020-2413859 (KITUI)  
020-2531395 (NAIROBI)  
Email: [bps@seku.ac.ke](mailto:bps@seku.ac.ke)

---

Our Ref: /D61/MAC/20016/2011  
Date: Monday, July 27, 2015

Mwilu Joseph Mutune  
Reg. No. D61/MAC/20016/2011  
Master of Business Administration  
C/O Dean, School of Business and Economics

Dear Mwilu,

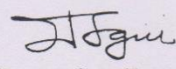
RE: PERMISSION TO PROCEED FOR DATA COLLECTION

This is to acknowledge receipt of your Master Proposal document.

Following a successful presentation of your Master Proposal, the School of Business and Economics in conjunction with the Directorate, Board of Post graduate Studies (BPS) have approved that you proceed on and carry out your research data collection in accordance with your approved proposal.

During your research work, you will be closely supervised by Dr. Joash Migosi and Ms. Angeline Mwabu. You should ensure that you liaise with your supervisors at all times. In addition, you are required to fill in a Progress Report (SEKU/ARSA/BPS/F-02) which can be downloaded from the University Website.

The Board of Postgraduate Studies wishes you well and a successful research data collection as a critical stage in your Master of Business administration.



Dr. Josphert Kimatu  
Ag. Director, Board of Postgraduate Studies

## APPENDIX 2: QUESTIONNAIRE

### FACTORS AFFECTING EMPLOYEE TURNOVER IN THE HOTEL INDUSTRY IN MACHAKOS TOWN IN MACHAKOS COUNTY

This questionnaire is to collect data for purely academic purposes. The study seeks to investigate the factors influencing employee turnover in the hotel industry in Machakos Town. All information will be treated with strict confidence. Do not write your name or identification on this questionnaire.

Answer all questions as indicated by either filling in the blank spaces or ticking the option that applies.

#### SECTION A: DEMOGRAPHIC INFORMATION

**Please indicate**

1. Indicate your age group?

Below 20years  20 – 29years  30 – 39years

40 – 49 years  50years and above

2. Your Gender? Please tick Male  Female

3. Highest level of education attained

Secondary  Certificate  Diploma  degree

4. Hotel working experience in years ( total)\_\_\_\_\_

5. How many years have you worked in this hotel?-----

6. Any specialized skills in hotel management

If yes, please explain.....

.....

## SECTION B. OBJECTIVE 1

### ORGANIZATIONAL FACTORS

Indicate the extent to which you agree or disagree with the following organizational factors influencing employee turnover on a scale of 1 to 5.

Where; 5 is strongly agree, 4 is agree, 3 is not sure, 2 is disagree and 1 is strongly disagree

|     | <b>Factors influencing turnover</b>               | <b>Strongly disagree</b> | <b>Disagree</b> | <b>Not Sure</b> | <b>Agree</b> | <b>Strongly Agree</b> |
|-----|---|--------------------------|-----------------|-----------------|--------------|-----------------------|
| 7.  | Manager`s style of leadership in the organization |                          |                 |                 |              |                       |
| 8.  | Career growth structure in the organization       |                          |                 |                 |              |                       |
| 9.  | Organizational culture                            |                          |                 |                 |              |                       |
| 10. | Toxic work environment in the organization        |                          |                 |                 |              |                       |
| 11. | Peer pressure in the organization                 |                          |                 |                 |              |                       |
| 12. | Recruitment policies in the organization          |                          |                 |                 |              |                       |
| 13. | Motivation in the organization                    |                          |                 |                 |              |                       |
| 14. | Induction of new staff                            |                          |                 |                 |              |                       |
| 15. | Recognition                                       |                          |                 |                 |              |                       |

## **SECTION C. OBJECTIVE 2**

### **INDIVIDUAL FACTORS**

Indicate the extent to which you agree or disagree with the following individual factors influencing employee turnover on a scale of 1 to 5.

Where; 5 is strongly agree, 4 is agree, 3 is not sure, 2 is disagree and 1 is strongly disagree

|     | <b>Factor</b>                      | <b>Strongly disagree</b> | <b>Disagree</b> | <b>Not Sure</b> | <b>Agree</b> | <b>Strongly agree</b> |
|-----|------------------------------------|--------------------------|-----------------|-----------------|--------------|-----------------------|
| 16. | Level of education of the employee |                          |                 |                 |              |                       |
| 17. | Career aspirations of the employee |                          |                 |                 |              |                       |
| 18. | Age of the employee                |                          |                 |                 |              |                       |
| 19. | Gender of the employee             |                          |                 |                 |              |                       |
| 20. | Exposure of the employee           |                          |                 |                 |              |                       |
| 21. | Incapacitation of the employee     |                          |                 |                 |              |                       |
| 22. | Work experience of the employee    |                          |                 |                 |              |                       |
| 23. | Religion of the employee           |                          |                 |                 |              |                       |
| 24. | Size of family of an employee      |                          |                 |                 |              |                       |

### **SECTION D; OBJECTIVE 3**

#### **JOB RELATED FACTORS**

Indicate the extent to which you agree or disagree with the following job related factors influencing employee turnover on a scale of 1 to 5.

Where; 5 is strongly agree, 4 is agree, 3 is not sure, 2 is disagree and 1 is strongly disagree

|     | <b>Statement</b>                        | <b>Strongly disagree</b> | <b>Disagree</b> | <b>Not Sure</b> | <b>Agree</b> | <b>Strongly agree</b> |
|-----|---|--------------------------|-----------------|-----------------|--------------|-----------------------|
| 25. | Job clarity                             |                          |                 |                 |              |                       |
| 26. | Workload                                |                          |                 |                 |              |                       |
| 27. | Pay package                             |                          |                 |                 |              |                       |
| 28. | Job stress                              |                          |                 |                 |              |                       |
| 29. | Odd working hours                       |                          |                 |                 |              |                       |
| 30. | Lack of challenge                       |                          |                 |                 |              |                       |
| 31. | Style of leadership                     |                          |                 |                 |              |                       |
| 32. | Lack of leave and overtime allowance    |                          |                 |                 |              |                       |
| 33. | Conflict between family and job demands |                          |                 |                 |              |                       |

### **SECTION E; MEASUREMENT OF THE DEPEDENT VARIABLE**

Indicate the extent to which you agree or disagree with the following factors influencing employee turnover on a scale of 1 to 5.

Where; 5 is strongly agree, 4 is agree, 3 is not sure, 2 is disagree and 1 is strongly disagree

|     | <b>Statement</b>   | <b>Strongly disagree</b> | <b>Disagree</b> | <b>Not Sure</b> | <b>Agree</b> | <b>Strongly agree</b> |
|-----|--|--------------------------|-----------------|-----------------|--------------|-----------------------|
| 34. | Job related factors influence employee turnover in our organization    |                          |                 |                 |              |                       |
| 35. | Individual factors influence employee turnover in our organization     |                          |                 |                 |              |                       |
| 36. | Organizational factors influence employee turnover in our organization |                          |                 |                 |              |                       |

*End of Questionnaire*

*Thank you for your honesty and time taken in filling this questionnaire.*

### **APPENDIX 3: INTERVIEW GUIDE**

#### **FACTORS AFFECTING EMPLOYEE TURNOVER IN THE HOTEL INDUSTRY IN MACHAKOS TOWN IN MACHAKOS COUNTY**

1. How do job related factors influence employee turnover?
2. What are some of the job related factors that influence employee turnover?
3. Do organizational factors influence employee turnover?
4. How do the organizational factors influence employee turnover?
5. Do individual factors influence employee turnover?
6. In what ways do individual factors influence employee turnover?
7. In your opinion, are there any other factors that influence employee turnover?

#### **APPENDIX 4: LIST OF HOTELS IN MACHAKOS TOWN**

1. Court yard hotel
2. Evening sheds hotel
3. Garden hotel
4. Ikuuni hotel limited
5. Lauh guest house
6. Le-Technisch hotel
7. Lysak park hotel
8. Kafoka hotel
9. Kyaka hotel
10. Tea-tot hotel
11. T-tot hotel
12. T-tot restaurant