

**DETERMINANTS OF STAFF TURNOVER IN THE HOSPITALITY
INDUSTRY IN KITUI TOWN, KITUI COUNTY, KENYA**

BY

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D53/CE/22058/2010

**A PROJECT SUBMITTED IN PARTIAL FULFILMENT FOR THE
REQUIREMENTS OF THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION (HRM).**

KENYATTA UNIVERSITY

AUGUST 2013

Declaration

I hereby declare that this is my original work and has never been presented elsewhere for examination purposes.

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Acknowledgement

I would like to register my sincere acknowledgement to the following individuals and firms for the unwavering support and guidance that they accorded me before and during the time I was carrying out this project. My supervisor, Mr. Eliud Obere for his guidance and undying patience, Kaliku Secondary School community, Parkside Villa and Hotel, The Beach Club, Riverside Motel, Flavors Restaurant, Kiembeni Country Club, Talents Hotel, Bavaria Club, Kitui Resort Club, Kitui Tourist Hotel, Sammy M. Kilanga a.k.a G.I and Stephen Musembi for their encouragement, my parents for their support, my wife Hilda Mbithe for her challenge and presence and above all the Almighty God for His love, health and life.

Dedication

This research is dedicated to my son, Jayden Mumo Kyule, for whom I live.

ABSTRACT

Hospitality industry world over has been plagued by high employee turnover. High employee turnover rates are a fundamental labor problem in the hotel sector .(Mok, C. and Luk, Y,1995). The hospitality industry is among the leading sectors in the Kenyan economy. The tourism and hotel industry is one of the pillars of the Kenya's Vision 2030. However the high potential of this industry is threatened by a number of factors, the most significant being employee turnover. The industry ranks among the highest in employee turnover as has been indicated by perpetual recruitment exercises in the firms within the industry. Very few firms in the hospitality industry take more than three months without carrying out recruitment of new staff at all levels. Low experience at workplace has also been observed and blamed on staff turnover. This study was carried out to highlight the probable determinants of high staff turnover in firms in the hospitality industry and come up with appropriate corrective measures to arrest this situation. Review on the past studies on the issue at hand was done on chapter two of the study. Even though studies have been carried out on staff turnover, little has been done with a bias on the hospitality industry especially in developing countries. The researcher therefore looked into these studies and illuminated and attempted to fill the gaps through the research. The researcher used a cross-sectional survey of the firms in the hospitality industry with a sample of 70 employees in 7 firms in the whole of Kitui town. The research instruments used included questionnaires and interview. The data thus collected was keyed into the Statistical Package for Social Sciences (SPSS) which was used to derive descriptive and differential statistics such as percentages, modes and median to meet the objectives of the study. The findings of the study will help not only the managers and the proprietors of firms within the hospitality industry but also the governments in helping alleviate the negative effects of staff turnover in the industry.

TABLE OF CONTENT

Cover page.....	i
Declaration	ii
Acknowledgement.....	iii
Dedication	iv
ABSTRACT	v
TABLE OF CONTENT	vi
LIST OF TABLES AND FIGURES.....	ix
LIST OF ABBREVIATIONS AND ACRONYMS.....	xii
OPERATIONAL DEFINITION OF TERMS.....	xiii
1.0 INTRODUCTION.....	1
1.1 Background to the study.....	1
1.2 Statement of the problem	3
1.3 Objectives of the Study	5
1.3.1 General Objectives.....	5
1.3.2 Specific Objectives	5
1.4 Research Questions	5
1.5 Significance of the Study	6
1.6 Scope of the Study.....	7
1.7 Limitations and Assumptions of the study.....	7
1.7.1 Limitations of the Study.....	7
1.7.2 Assumptions of the Study	8
CHAPTER TWO	9
2.0 LITERATURE REVIEW	9

2.1 Introduction	9
2.2 Theoretical Framework	9
2.2.1 Theory X and Theory Y	9
2.2.2 Hierarchy of Needs Theory.....	11
2.2.3 Two - Factor Theory	13
2.3 Empirical framework.....	15
2.3.1 Hospitality industry.....	15
2.3.2 Employee turnover.....	17
2.3.3 Compensation and employee turnover.....	19
2.3.4 Labour market and employee turnover	23
2.3.5 Leadership style and staff turnover.....	26
2.3.6 Organisational culture and employee turnover	29
2.4 Conceptual Framework	31
CHAPTER THREE	32
3.0 METHODOLOGY	32
3.1 Introduction.....	32
3.2 Research design.....	32
3.3 Target Population	32
3.4 Sampling design and sample size.....	34
3.5 Research instruments.....	35
3.6 Piloting	36
3.6.1 Validity of the instruments.....	36
3.6.2 Reliability of the Instruments.....	36
3.7 Data collection procedure.....	37
3.8 Data analysis	38

3.9 Ethical Considerations.....	39
CHAPTER FOUR.....	40
4.0 DATA PRESENTATION AND FINDINGS	40
4.1. Introduction	40
4.2. Demographic descriptive analyses	40
4.3. Analysis of interviews from managers.....	45
4.4. Effects of labor market on staff turnover in the hospitality industry in Kenya.....	45
4.5. Effects of compensation on staff turnover in hospitality industry in Kenya.....	55
4.6. Effects of leadership style on staff turnover in hospitality industry in Kenya.....	60
4.7. Effects of organizational culture on staff turnover in hospitality industry in Kenya.....	65
4.8. Summarised analysis of managers interviews findings.....	71
4.9 Multiple regression model.....	74
CHAPTER FIVE	78
5.0 SUMMARY, CONCLUSSIONS AND RECOMMENDATIONS	78
5.1. Summary	78
5.2. Conclusion.....	81
5.3. Recommendation.....	81
REFERENCES	82
APPENDICES	91
Appendix 1: Questionnaire for lower level employees	91
Appendix 2: Interview schedule for General/ Human Resource Managers.....	98
Appendix 3: Time schedule.....	99
Appendix 4: Budget	100

LIST OF TABLES AND FIGURES

Figure 2.4 : Conceptual framework for the factors affecting staff turnover

Table 2.3.3: The total compensation system

Table 3.3 Firms sampled

Table 3.4 Sample size per firm

Table 4.2.1. County of respondent

Table 4.2.2. District of respondent

Table 4.2.3. Gender of respondent

Table 4.2.4. Age group of respondent

Table 4.2.5. Marital status of respondent

Table 4.2.6. Education level of respondent

Table 4.3.1. Length of service in current firm

Table 4.4.1 Prior training not required

Table 4.4.2 I know upon leaving the job I will get another one

Table 4.4.3. Vacancies in this industry are superflous

Table 4.4.4. Whether trained for the job

Table 4.4.5. Level of training for the trained

Table 4.4.6. How the staff acquired the job

Table 4.4.7. Ranking satisfaction with the job

Table 4.4.8. Whether the staff can opt to change job

Table 4.4.9. Reason for change job

Table 4.4.10. Whether the staff can opt to change Industry

Table 4.4.11. Reasons for changing industry

Table 4.4.12. Whether this is your first job

Table 4.4.13. Number of previous jobs

Table 4.4.14. Whether previous job was on the same industry

Table 4.4.15. Reason for changing job

Table 4.5.1. Rewards and compensation is not in tandem with job done

Table 4.5.2. Compensation is worse than in other firms

Table 4.5.3. Given the opportunity, I can look for better job

Table 4.5.4. Ranking Compensation

Table 4.5.5. Whether remuneration is satisfying

Table 4.5.6. Job motivation

Table 4.5.7. Ranking compensation from previous experience

Table 4.6.1. Leadership here is worse than any other firm I have ever worked in

Table 4.6.2. Leadership here emphasizes more on result than humanity

Table 4.6.3. Leadership here does not recognize individual effort but mistakes

Table 4.6.4. Ranking leadership style in the organization in relation to previous organization

Table 4.6.5. Commenting on leadership style for job beginners

Table 4.6.6. Type of leadership style

Table 4.6.7. Frequency of involving workers in decision making process

Table 4.6.8. Ranking superiors

Table 4.7.1. It is the culture of this firm for employees to leave

Table 4.7.2. It is hard to adapt to the work climate of this firm

Table 4.7.3. Individual involvement in this organization is minimal

Table 4.7.4. Number of workers who have left during your stay

Table 4.7.5. Reasons for leaving

Table 4.7.6. Whether same reasons can make you leave

Table 4.7.7. Number of new staffs who joined during your stay

Table 4.7.8. Whether it is habitual for staffs to leave the organization you are working in

Table 4.8.1. Frequency of involving employees in decision making process

Table 4.8.2. Level of duty delegation

Table 4.8.3. Whether remuneration is competitive

Table 4.8.4. Turnover during the current manager's stay

Table 4.8.4 Turnover due to willingness during the current manager's stay

Table 4.8.6. Turnover due to sacking during the current manager's stay

Table 4.9.1. Independent variables of the model

LIST OF ABBREVIATIONS AND ACRONYMS

OCP	Organizational Culture Profile
SPSS	Statistical Package for Social Sciences
UK	United Kingdom
US	United States
ISHC	International Society of Hospitality Consultants
CIPD	Chartered Institute of Personnel and Development
GDP	Gross Domestic Product
WTTC	World Travel and Tourism Council
NSSF	National Social Security Fund
NHIF	National Hospital Insurance Fund

OPERATIONAL DEFINITION OF TERMS

Turnover-This refers to the tendency of employees leaving their job for another.

Satisfaction-This refers to the degree of contentment at the workplace.

Leadership-This is the authority or the management of an organization.

Organisational Culture-How things are done in an organization and how employees are expected to fit into the organization. The shared values, beliefs and assumption that exist among employees within a company that help guide and coordinate behavior.

Motivation-The morale to work towards the achievement of a certain objective.

Labour market-The supply and demand of labour.

Hospitality industry- A range of businesses in the service industry which include hotels, bars and restaurants.

Kenya's Vision 2030- Kenya's development programme whose objective is to help transform Kenya into industrialized middle-income country

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the study

According to Hegarty and Przezborska (2005), hotel and hospitality sector is considered to be the world's largest industry and generator of jobs. In most economies, it ranks among the top five sectors. It creates dynamic investment opportunities worldwide. It cuts across the large, medium and small enterprises and so it helps create both foreign and domestic investment. A hospitality unit such as a restaurant, hotel, or even an amusement park consists of multiple groups such as facility maintenance, direct operations (servers, housekeepers, porters, kitchen workers, bartenders and so on), management, marketing, and human resources. The tourism and hospitality industries are among the fast expanding industries in the world and are important top foreign earners for Kenya, (Kenya Vision 2030). Hotels and restaurants recorded a growth of 5.0 per cent in 2011 compared to 4.2 per cent in 2010 with tourism earnings increasing by Kshs 24.2 billion to Kshs 97.9 billion (Ministry of state for Planning, Development and Vision 2030). It is evident that the industry has made major contributions toward the country's Gross Domestic Product (GDP), over the recent past. It is expected to grow more in the near future and is thus expected to contribute handsomely towards the economic development of the country. The tourism and hospitality industries are among the fastest expanding industries in the world and are important top foreign earners for Kenya (Kenya Vision 2030). Due to this expansion, tourism and hospitality have helped in providing employment to a large number of people in Kenya.

According to Kuslivan (2003), among the major benefits of the development of any industry in any given economy is the provision of employment and the hospitality industry in Kenya is not

exceptional. The World Travel and Tourism Council (WTTC) report of 2006 shows that employment in tourism and hospitality was estimated to be over 230 million jobs and it was expected to contribute to about 10% of the world Gross Domestic Product (GDP) by 2007. This figure was estimated to reach 260, 417, 000 jobs which is 9% of total employment in the world by 2011. In Kenya, the hospitality industry alone catered for over 509,000 jobs in 2007, a 10% of the total employment. By 2017, it is estimated that the industry will cater for about 628 000 jobs (WTTC, 2006).

A large proportion of employees in tourism and hospitality industry are semi skilled or unskilled with about 64% of workers in the hotel, restaurant and catering sector being unskilled or semiskilled. The skilled 36% has 6% in managerial positions, 8% in supervisory positions, and 22 percent in other positions (Riley, 1996). The quality of the jobs in the tourism and hospitality industry has been constantly questioned due to the assumed low skill requirements of the jobs. According to Guerrier (1999), generalized logic rather than empirical measurement may be responsible for the general assumption that tourism and hospitality require unskilled or semi-skilled labour. Guerrier (1999) further notes that, low status jobs in society are done by low status people and is therefore assumed little skill is just what is required to perform it. According to Baum (1996) and Wood (1995), employment in tourism and hospitality industries has resulted to hotel jobs being regarded as low status jobs with low payments and poor working conditions.

Wood (1995), posits that most hospitality employees have no career structure and that their jobs are perceived as dead end, making the firms less likely to attract long stay recruits. Wood (1995) further points that, hospitality industry is usually perceived as a stepping stone where people pass through as they seek other careers. This is no doubt the primary reason why many secondary school graduates and unrelated certificate holders sojourn at the hospitality industry as they await

to determine their career path. According to Kevin et al (2004), although there is no standard framework for understanding employee's turnover process as whole, a wide range of factors have been found useful in interpreting employee turnover. In line with this therefore there is need to develop a fuller understanding of employee turnover, its causative agents and the effects thereof especially its impact on performance. This therefore forms the basis of this study.

1.2 Statement of the problem

Social security systems such as the NSSF, NHIF and PAYE have decried reduced remittance of monthly funds by employers in the private sector and particularly those in the hospitality industry. Managers of firms in this industry blame high employee turnover as number one reason for their failure or lack of willingness to remit the said funds. Managers and proprietors argue that they see no need to start remitting dues for some employees since they fear that the workers may leave soon (www.nssf.go.ke, www.nhif.go.ke).

In the recent past, the hospitality industry has experienced rapid growth. This has encouraged entry of new players in the market. However, the trained and experienced labour market has not grown in tandem with this particular growth. Demand for labour has risen and the result has been high employee turnover. Studies done regarding labour turnover in the service industry across the world indicate that, the hospitality sector leads with employee turnover over time. (Kuria, S., Odingi A. and Wanderi P., 2012). A research carried out on employee turnover in the hospitality industry in Kenya in 2000 indicated a worrying trend of labour turnover with lodges leading by 60% (ILO, 2001). In these firms, little concern is given to human resource variables. As a result of this, turnover has reached bitter proportions. According to Visit Kitui.com, Kitui town lies midway between two tourist hotspots in Kenya namely the Kenyan coast and Mount Kenya. A road connecting towns in Mount Kenya with Mombasa via Kitui and Kibwezi has

placed Kitui town in a strategic position. Tourists travelling from the coast to Mount Kenya need not pass through Nairobi which is quite a long distance and quite inconveniencing. The new road through Kitui therefore becomes the only option for the tourists. Since Kitui town is located almost midway between Mombasa and Mount Kenya, it becomes a resting place for them. This has seen Kitui town experience massive growth in the hospitality industry. (www.visitkitui.com) Many jobless youth have been absorbed into the industry. However, turnover trend in the industry has also increased at the same rate. It is quite hard to find a certain employee in the same hotel or restaurant for more than three months. Customers loyal to certain workers are moving with the employees they like to be served by. This trend is almost reaching alarming levels and performance in the said firms is dwindling.

Turnover in the hospitality industry is quite costly. It leads to upsetting of routines, removes the experienced workforce, makes customers uncomfortable and may lead to reduced consumer loyalty and consequent failure of the firm. Hospitality industry is a people oriented sector. People like to deal with those that they are familiar with. If customers keep on finding a replacement every time they visit a certain firm, their faith in the said firm may be eroded after just a little while. It is the failure to consider the impact of the high employee turnover which has seen this industry lag behind the other economic sectors in spite of its importance in the economy (Kuria S. et al, 2012). Therefore, all available mechanism should be put in place to arrest this situation. The determinants of staff turnover should be investigated and efforts channeled towards establishment of measures to stop and possibly reverse this critical situation affecting such an important sector in the economy. It is in the light of this therefore that the researcher considered employee turnover in the hospitality industry an issue big enough to warrant an in-depth investigation.

1.3 Objectives of the Study

1.3.1 General Objectives

The aim of this study was to examine the determinants of staff turnover in the hospitality industry in Kenya using a cross-sectional survey of firms in Kitui town, Kitui County with a view to reversing this trend thus improving on the effectiveness and efficiency of the said firms. In this study, turnover was characterized by voluntary turnover, involuntary turnover, constructive turnover, destructive turnover, internal turnover and external turnover.

1.3.2 Specific Objectives

The objectives of this study were:

- i. To examine the effect of compensation on staff turnover in the hospitality industry in Kenya.
- ii. To find out the effect of the labour market on staff turnover in the hospitality industry in Kenya.
- iii. To establish the effect of leadership style in determining staff turnover in the hospitality industry in Kenya.
- iv. To determine the effect of organizational culture in determining staff turnover in the hospitality in Kenya.

1.4 Research Questions

This study sought to answer the following questions:

- i. What is the effect of compensation in determining staff turnover in the hospitality industry in Kenya?
- ii. How does labour market affect staff turnover in the hospitality industry in Kenya?
- iii. What is the effect of leadership style in determining staff turnover in the hospitality industry in Kenya?
- iv. What is the effect of organizational culture in determining staff turnover in the hospitality industry in Kenya?

1.5 Significance of the Study

In Kenya, managers in the hospitality industry are experiencing turnover that to them is running out of control. They are unable to tell exactly why employees are leaving their firms to other firms in the same industry or out of the industry. It is hoped that the information gathered will go a long way to aid the endeavors to alleviate this problem and for adoption of a framework which will be used to steer development of efficient and effective firms within and without the hospitality industry in Kenya. To the management of the said firms, the findings and the recommendations of the study will be quite useful as they will no longer base their managerial decisions, methods and actions on haphazard personal experiences, subjective judgment or intuition but on concrete knowledge of factors affecting employee turnover as supported by research findings. This will help alleviate the problem of employee turnover and the attendant costs thus helping achieve efficiency and effectiveness leading to sustainable competitiveness of the firms. The researcher hoped that the study will form a basis for further research on controlling staff turnover in the hospitality and other industries and sectors. This will lead to

generation of new ideas for the better and more efficient management of firms in hospitality industry and those in other industries in Kenya and the rest of the world.

1.6 Scope of the Study

This study was basically concerned with establishing the determinants of staff turnover in the firms in the hospitality industry in Kenya. It was conducted in Kitui town between July and October 2013 using a cross-sectional survey of the firms in the hospitality industry with a sample of 70 employees in 7 firms in the whole of Kitui town, data being collected by use of questionnaires, interviews and document analysis techniques. The study specifically sought to determine the effects of compensation, labour market, leadership style and the organizational culture in determining staff turnover in the selected firms.

1.7 Limitations and Assumptions of the study

1.7.1 Limitations of the Study

Ideally, this study should have been conducted in all the firms in the hospitality industry in Kenya. However, time and financial constraints dictated a smaller sample. Firms in the hospitality industry are quite busy entities. The respondents therefore had limited time and availability to enhance the study. The alcoholic drinks act (2010) restricted the hours of business. This therefore limited the accessibility to the respondents. There was also a dearth of literature on employee turnover in Kenyan economic sectors and industries in general and hospitality

industry in particular. The scope of the study was also too narrow to make widespread generalization. However, this study is useful for exemplification and beginning of a debate.

The researcher overcame these challenges by having a lean budget and carrying out the research himself. The issue of time and availability was dealt with by limiting the study to those firms licensed to operate 24 hours a day, 7 days a week and those which operate till 11 p.m. The researcher, with the aid of the firms' administration, determined the most appropriate dates and time to visit each individual firm. The issue of scarcity of literature was handled by visiting libraries in different public and private universities and digging deep into the internet for any relevant literature.

1.7.2 Assumptions of the Study

The study was carried out with the assumption that all the targeted respondents will be reached and will provide true, honest and quality data to enable the researcher to make prudent conclusion on the determinants of employee turnover in the hospitality industry in Kenya.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This section presents a review of literature related to the determinants of staff turnover in firms in the hospitality industry in Kenya. It particularly focuses on compensation, labour market, leadership style and organizational culture. These are considered to be the pillars of the study.

2.2 Theoretical Framework

2.2.1 Theory X and Theory Y

The proponent of this theory is McGregor (1960). This theory explains two conflicting observations of people at work that will influence management style. Theory X and Theory Y represent two extremes of motivation spectrum which inform the style of leadership adopted by different managers according to their view of workers. Theory X is perceived as a traditional view of direction and control. It stipulates that employees are inherently averse to work and must be constantly motivated from external sources and that people have to be directly supervised, coerced, controlled and directed to ensure the organizational objectives are met and that the threat of punishment must exist within an organization for the organizational goals to be achieved. It also suggests that people are generally unambitious and will try to avoid responsibility as much as they can. Managers who adopt this perspective believe that a hierarchical structure is needed with narrow span of control at each and every level.

Theory Y on the other hand has it that employees are motivated, keen to take greater accountability and apply both self-control and direction and that find fulfillment in striving to attain goals. Employees view work as natural as play. Theory Y assumes that under the acceptable conditions the people will not only take responsibility but also look for more, and the lack of ambition and the qualities of Theory X are not in any way innate human characteristics but are values learned in working environments that suffocate or do not promote theory Y behaviors. Managers who adopt this theory allow self direction and delegation of duties.

In as much as the theories are known to work, they still have their share of weaknesses. McGregor sees these two theories as two quite separate attitudes. Theory Y is difficult to put into practice in large mass production operations. It can only work in managing of managers and professionals in small businesses. Also, it is part of the manager's job to exercise authority, and there may be cases in which this is the only method of achieving the desired results when dealing with subordinates who may not agree that the ends are desirable which then calls for adoption of theory X over theory Y. Neither theory X nor theory Y is better than the other. The appropriateness of any of the two theories depends on the work circumstances and the specific employee being dealt with.

McGregor was of a view that managers who want to achieve a competitive edge should adopt the perspective of theory Y and shun the dictates of theory X because there are situations where it is possible to obtain commitment to objectives, after the matter has been fully explained to the employees so that they may grasp the purpose or the result of an action. Consequently, the employees will exert self-direction and control to do better work than if they had simply been carrying out an order which they did not fully comprehend.

2.2.2 Hierarchy of Needs Theory

The proponent of this theory is Abraham Maslow (1954). Maslow's theory is modeled on three basic assumptions. The first is that people must satisfy needs in the lower level before moving on to the needs in the next level of the hierarchy. Secondly, behavior (or motivation) is only stimulated by unsatisfied needs and the third is that human needs range from the very basic to the most complex. He postulated that when a need occurs, motivational tension develops and is directed towards satisfaction of the felt need. According to this theory, individuals experience five levels of needs namely physiological needs, safety and security needs, social needs, self-esteem needs and self-actualisation needs. Physiological needs include basic and essential needs, sometimes called biological needs. These include heat, light, food, shelter and clothing. These can be directly satisfied by compensation. Once the physiological needs are met, safety and security needs become a motivational factor. Such needs include the need to protect oneself from danger, threat, harm, injury, loss, or deprivation. These needs include an employee's need for job security, seniority, safe working conditions, benefits, insurance and retirement plan, and severance pay. After safety and security needs have been satisfied, the individuals are motivated by social needs. These include the need for companionship, love, and belonging both inside and outside. In organization, such needs may be met through formal and informal work group, teams, and company-sponsored activities. After meeting the social needs, an individual turns to self-esteem needs. Self esteem involves an individual's sense of worth, self-respect, accomplishment, achievement, maturity, competence and independence. In organizations, esteem needs include recognition, reputation, praise, status and responsibility. Once the other four levels of need have been satisfied, individuals now focus on self-fulfillment. They seek to realize their full potential

in both personal and professional life. Employees now seek challenging and creative jobs. (Pieter G. et al, 2006).

This theory is plagued by a number of criticisms. Cianci, R., & Gambrel, P. A. (2003) say that the needs and drives of those in individualistic societies tend to be more self-centered with focus on improvement of the self and self-actualization being the apex of self-improvement. However, in collectivist societies, the needs for acceptance within the society (social needs) outweigh the needs for individual improvement and self-actualisation. Maslow's hierarchy of needs theory fails to illustrate and expand upon the difference in priority of the social and intellectual needs of those raised in individualistic societies as opposed to those raised in collectivist societies. Hofstede, G. (1984), says that the order in which the hierarchy is arranged (with self-actualization described as the highest need) has been criticized as being ethnocentric.

Perhaps the most intuitively appealing theory for human resource professionals today is Abraham Maslow's hierarchy of needs theory. (Pieter G. et al, 2006). Maslow claims that employees must meet each level of their needs for them to commit themselves to workplace goals since their needs develop from physical and physiological needs and progress up to needs for personal growth and career development. Failure to meet the employees' needs at any level in the hierarchy can lead to lack of fulfillment in their lives which may prompt them to seek fulfillment elsewhere, probably by finding a new employer who will provide better opportunities for this. If well adopted then, it will assist managers reduce or alleviate turnover behavior in their firms.

2.2.3 Two - Factor Theory

Whereas Maslow applied his hierarchy of needs theory in general, Herzberg applied his specifically to the workplace and job design (Pieter G. et al, 2006). The two factors the Herzberg recognizes can be said to affect either turnover or retention of employees in the workplace. For this reason therefore, this study is modeled by this theory. The proponent of this theory is Fredrick Herzberg (1959). According to this theory, there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. Therefore, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are quite independent phenomena. Motivation and job satisfaction are divided into two groups of factors known as the motivation factors and hygiene factors.

Hygiene factors are the 'job context' factors which are external to the employee and to the job and which include company policy, nature of supervision, relationship with the supervisor, working conditions, grievance and performance appraisal procedures, relationship with peers, salary and remuneration. They are negative job conditions which are the source of dissatisfaction. They are extrinsic factors controlled by someone other than the employee and are thus difficult to control (Pieter G. et al, 2006). If controlled well, they help mitigate dissatisfaction but Herzberg argues that none of these factors will motivate people or lead to satisfaction. This is quite clear especially considering how salary issues never appear to be resolved. Motivation factors, on the other hand, are the 'job content' factors including achievement, recognition, work itself, responsibility, advancement, and possibility of growth that give positive satisfaction, arising from intrinsic conditions of the job itself. Pieter G. et al (2006) says that motivation factors are not dispensed by any superior; instead, each employee controls and administers them personally as no person can give another the satisfaction that comes from

accomplishing a particularly challenging job. If an employer hopes to increase job satisfaction and ultimately job performance for an employee, then they need to address those factors that affect one's job satisfaction. The best approach is to work on the intrinsic, job content factors otherwise known as motivation factors.

The following are some of the weaknesses associated with the theory; First, no comprehensive measure of satisfaction was used. An employee may find his job acceptable despite the fact that he may hate or object to a part of his job. This will therefore not conform to the dictates of the theory. Additionally, the study made the assumption that all employees are interested in the same outcomes. (Locke, 1976). Secondly, the two factor theory can be said to be biased as it is based on the natural reaction of employees when asked the sources of satisfaction and dissatisfaction at work. It is natural that workers will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship while they will give credit to themselves for the satisfaction factor at work. Also, Workers may have "cognitive satisfaction" because their hygiene needs are being met, but they still are not motivated at their jobs (Bright, 2008, p.7). Another common criticism is the fact that the methodology was not scientifically sound. The theory assumes a strong correlation between job satisfaction and productivity but the methodology did not address this relationship (Northouse, 2010). This theory suggests that to improve job attitudes and productivity and probably reduce turnover, managers ought to recognize and attend to both sets of characteristics, not to assume that an increase in satisfaction will lead to a decrease in dissatisfaction. If adopted properly, this theory can assist managers achieve competitive edge through reduction of turnover.

The three theories recognize the importance of the input of both the management and the individual employee in helping alleviate unwanted turnover. The three postulate that if

management considers the needs of the employees, endeavour to satisfy them and create a self-motivated approach to activities in the firms on the part of the employees, turnover will be reduced considerably. However, the Two-Factor theory seems to recognize that in any organization, movement and retention of employees is not dependent only on the management and the employees. Other elements will come to play in one way or another. Such factors as the competition from rival firms and industries, technological change, the organizational culture and climate as well as the nature of clients also determine the employee turnover in a firm. This, coupled with the fact that the Two-Factor theory dwells mostly on workplace issues informs the researcher's choice of the theory on which the study was based.

2.3 Empirical framework

2.3.1 Hospitality industry

King and Smith (2005) say that the hospitality industry owes its existence to the development of the transport industry, more than 2000 years ago in the Middle East. In Kenya, the hospitality industry started at the coast through the Arab traders and the workers constructing the Kenya-Uganda railway line. Their presence made it necessary to build the first catering and accommodation establishment at the Kenyan coast called the Grand Hotel of Mombasa. It was built where the Manor Hotel presently stands. When the country fell under the British colonial rule, the subsequent need to join Kenya with Uganda further necessitated the establishment of more catering and accommodation facilities along the railway line. This saw the establishment of such facilities in the inland towns such as Nairobi, Nakuru and Kisumu. By early 1960s, some hotels such as the Norfolk in Nairobi had reached the international five star rating. In 1975, training of the local population on the hospitality was started in Kenya Utalii College. The public

and private universities would later start training on hospitality, albeit using varied curriculum. Today the hospitality industry has grown considerably and the training in the hospitality industry has attracted more colleges, some of which use the international curricula such as the City and Guild (Mayaka, 2005)

Hotel classification puts into consideration several factors that affect the overall standards such as the standard of cleanliness, manner of storage, preparation and service of food and the food quality (Laws of Kenya, 1986). The classification is done in such a way that the higher the stars, the better the standard of cleanliness, the quality of food served and the standards of the structures and amenities (Baum, 2002). In Kenya, most of the firms in the hospitality industry are rated below three stars. Woolf (1990) noted that the needs of the Kenya hospitality industry include client satisfaction, knowledge of the company objectives, communication and motivational skills, understanding the behaviour of different classes of guests, management of people, use of control information, problem analysis and decision-making (Mayaka, 2005). Kenya has continued to register impressive tourist arrivals, and the added variety of source markets like the fast-developing India and China has been billed as the next frontier for the industry. With the country being marketed as a much cheaper destination as compared to the traditional niche markets of the Mediterranean and the Caribbean, more tourists are expected to head this way in the next few years (allafrica.com). According to Kuria, S., Odingi A. and Wanderi P. (2012), in Kenya, tourism is a major industry and a key pillar of the Vision 2030. It has made major contributions toward the country's Gross Domestic Product (GDP) over the past few years and has thus contributed towards the economic development of the country. Tourism has helped in provision of employment to a large number of unemployed people in Kenya. Due

to this reason, hotel industry has flourished. Many hotels and restaurants are regularly coming up to provide accommodation and catering services to the large number of tourists visiting the country for holiday. The tourism and hospitality industries are amongst the fastest growing industries in the world and are significant top foreign earners for Kenya. The tourism and hospitality sector is one of the six key pillars for achievement of the Vision 2030 economic blueprint. (Kenya Vision 2030). Kuria, S., Odingi A. and Wanderi P. (2012) say that Kenya is endowed with rich faunal and floral biodiversity characterized by a myriad of terrestrial and marine plant and wildlife, natural and physical scenic features, and a growing diversity in the social-cultural heritage of the people which has helped boost the growth of the industry. However, this industry has been characterized by a number of bottlenecks which hinder the growth and consequently disturb the potential characteristic of the industry. Kusluvan (2003) notes that, the service delivery and the late adoption of technology has resulted to frequent labor turnover in the hospitality and tourism across the world. In Kenya, hotel employments lack a regulatory body that defines job structure and remuneration policy however much one is trained. This has impacted negatively in hotel business sustainability due to high costs of training new employees, replacement and separation for the departing employees which has impacted negatively on customer satisfaction (ILO, 2001).

2.3.2 Employee turnover

Fahad, A (2011) carried a study on the impact of employee turnover on sustainable growth of organization in computer graphics sector of Karachi, Pakistan. His study examined the main causes and ground realities of the problem of employee turnover on sustainable growth of organizations. His findings were that organizational performance may suffer as a result of turnover. The study also found out that age, level of education, tenure in the organization and the level of income may impact on turnover of employees. He recommended that in order to avoid

employee turnover or reduce its impact on the organizational growth all the causes and co-relations of employee turnover have to be considered. He also recommended that several strategies should follow in order to avoid employee turnover and reduce its impact on the sustainable growth of the organization.

Dwomoh, G and Korankye, T (2012) did a research on labour turnover and its impact on performance of banks in Ghana. In particular they wanted to examine the sources of employee turnover, effects and various strategies that can be used by managers in various organizations to ensure that there is employee continuity in their organizations so as to enhance overall organizational performance. They found out that labour turnover had a significant relationship with performance of Banks in Ghana in terms of customer complaints. They unearthed that labour turnover contributes to about 55.8% customer complaints in Banks in Ghana while other factors such as poor management policies, employee personal problems and others contribute about 44.2%. They suggested that since it is not the only variable that contributes to increase in customer complains, further research needs to be conducted to find out what are the exact factors that contribute to the 44.2% of performance of Banks in Ghana in terms of customer complaints.

Kuria, S.,Odingi A.and Wanderi P. (2012) carried out a study on the assessment of causes of labour turnover in three and five star-rated hotels in Kenya. Particularly, they were interested in establishing the contribution of gender, age, level of education, training, duration in employment and hotel star-rate to employee turnover. They found that labour turnover was higher (68%) in three star-rated hotels compared to 13% in the five star-rated hotels. The results also indicated that training, experience, age and promotion were key factors in determining the labour turnover. Subsequently, unfavorable working conditions, long working hours with minimal pays and poor

employees training policies were the main causes of labour turnover in both hotel categories under the study. The results also indicated correlations among the employment duration, number years work experience and job change. The study further established that gender was a key factor in employees working in the hotels. The nature of hotels employments with working odd hours, working in shifts and the social stigma of working in the hotels curtailed many females in joining the industry and as a result, hotel jobs favoured male employees than their female counterparts. This cut across the managers in both hotels with twice the number of male managers to that of female managers and a similar trend with non-managements employees. They suggested that since majority of the respondents were more willing to re-locate to the major towns where they believe better employment terms to be presented, changing of employment terms from casual to contracts is regarded as most effective preferred.

A research on labour turnover in hospitality industry conducted by the International Labour Organisation (ILO), (2001) indicated that labour turnover in the Kenyan hospitality industry was 60%. The report gave the labour turnover rate amongst those on their first employment in the hospitality industry to be at 51.7% in the United States, 42% in the United Kingdom and 30% in Asia. These statistics portray a worrying state of affairs in the Kenya's hospitality industry. According to the Republic of Kenya's Economic Survey (2004) the hospitality industry's rate of turnover is higher than the industries and sectors' turnover average and it is still the leader in employees' turnover.

2.3.3 Compensation and employee turnover

Abassi and Hollman (2000) identified lack of recognition and competitive compensation systems as some the biggest reasons for employee turnover in an organization. When the workers are extremely unsatisfied with the compensation system, the organizations face voluntary turnover.

Michael O. Samuel and Crispen Chipunza (2009) observe that there are intrinsic and extrinsic motivational factors which can assist managers to influence employee retention and reduce turnover in their organisations. The problem, however, is that managers have failed in identifying and properly using these variables as retention strategies thereby resulting in the prevailing high turnover rate in the organisations.

Wesonga Justus, Alice Kombo, Noah Murumba and Makworo Edwin (2011) carried out a study in which they observed that managers understood labour turnover as workers leaving the company for greener pastures. They further observed that 100% of the managers would leave the present company and take up new jobs if the job offers better salary and benefits than the current one. They suggested that the management should introduce better overtime pay and workers should be encouraged to take up any upcoming opportunity. Their study wanted to establish the type of turnover prevalent in the sugar industry, either voluntary or involuntary. They further suggested a need for further research. This study hopes to investigate the causative agents of voluntary turnover and come up with suggestions for corrective measures.

Adamsky Howard (2005) posits that investing in employees is the key to business success. He says that firms are suffering as a result of poor investment in the human resource, usually regarded by many a firm as temporary business assets. He further suggests that the bottom line is that if a company wants loyalty, it has to start giving some. Investing in the organisation's employees is the starting point. EPN (2005) observes that for a firm to retain and grow its staff, a clear decision needs to be made as to what level of change is needed in salaries, reward packages and conditions in order to recruit and keep national staff taking into account both the short and the long term impact.

Raikes Lucille and Vernier Jean-François (2004) did a research in which they predicted hard times ahead for the human resource managers by 2010. They foresaw that with the retirement of baby boomers, the labour force will stop growing around 2010. This or rapid economic growth might provide the significant proportion of staff already waiting to change employers the right opportunity to do so. They therefore said that all the relevant mechanism should be put in place to ensure that the firms recruit and retain the best employees that are there in the market. They further said that both financial and non-financial incentives are required in order to retain employees. They thus distinguished between reward elements needed “to play” (mostly pay and benefits) and those needed “to win” (career advancement opportunities, colleagues) with high focus residing on high performing employees. According to them, first task should be to identify them through multiple source feedback and ratings consistently applied across the organization. This is where line managers come in handy in identifying these talents. They also that rewards should be differentiated according to the performance, including the non cash rewards.

Sung Johnny and Ashton David (2005) claim that Reward and commitment practices aim at creating a greater sense of belonging and commitment to the organisation. Such practices include performance pay, flexible job descriptions, job rotation, “family friendly” policies or non-pay benefits. They observed that there is a strong correlation between the adoption of such practices as proper financial and non financial commitment to an organizational competitiveness. However, Towers Perrin (2003) while looking at differences between industries argues that people tend to be drawn to non-profit making sector as opposed to profit-making sector from a sense of mission and passion, rather than from any prospect of high pay or wealth accumulation.

According to him, it is important to note that while pay might play a role in attracting or retaining staff, it has little importance in driving engagement itself.

Pieter G. et al(2006) say, “compensation refers not only to extrinsic rewards such as salary and benefits, but also to intrinsic rewards such as achieving personal goals, autonomy and more challenging job opportunities.” They further state that compensation refers to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship. They formulated a total compensation system below;

Table 2.3.3: The total compensation system. Source; Pieter G. et al (2006)

Compensation of Employees	Extrinsic rewards	Monetary rewards	Hourly wage Salary Bonuses Commissions Pay incentives
		Benefits	Insurance, food service, medical, retirement, Paid holidays, paid public holidays, recreation
	Intrinsic rewards	Recognition Promotion opportunities Working conditions	

Pieter G. et al (2006), say “while many factors may cause employees to leave an organization, inadequate compensation is often the cause of turnover.” This therefore calls for a comprehensive job evaluation and wage surveys which will help ensure equity within and without the organisation by creating systematic pay scales in accordance with the relative worth of a job and the prevailing wage levels in the market. This will help alleviate feeling of being

treated inequitably in the organization which reduces the employees' efforts and entertains thoughts of leaving the organization. They further suggest that "not only must an organization have a very equitable system but this system must be explained to its employees." They further state that employees must be involved at all levels of determining the compensation system if they are to buy it as it will be useless to claim that a compensation system is equitable yet the employees have no ownership of the system and have thus not accepted it.

Most of the studied reviewed under compensation recognize the importance of reward and competitive compensation in determining turnover intentions of employees and the eventual effect that such a behavior has on the effectiveness and efficiency of the firm. However, the researchers have tackled the effect of turnover without necessarily doing an in-depth investigation into the effect of compensation on turnover behavior of employees. Most of the studies have just mentioned compensation superficially as they tackle other variables. This study, however, wished to carry out a thorough investigation into the specific effect of compensation by treating it as an independent variable.

2.3.4 Labour market and employee turnover

According to the International Society of Hospitality Consultants (IHSC), a shrinking labour force is number one challenge facing the global hospitality industry. Employers are beginning to feel the impact of a shrinking labour force in the service industry. The labour pool for the hospitality industry often consists of untrained, unskilled workers. Higher skilled workers are harder to find and even those workers are highly vulnerable as they seek better opportunities. Many employees are young, students or people simply using hospitality jobs as either a fallback or a stepping stone to other careers. In this industry, employees' competences depend on skills acquired during training. The quality of service offered depends on the competency in these

skills (Sarah W. Kamau and Judith Waudu, 2012). Jobs in the hospitality industry are thus viewed as means rather than an end. To exacerbate this situation, many other firms which have suffered from turnover are seeking to absorb these estranged employees.

CIPD (2005) presents several factors explaining why employees quit. Accordingly, it is the attraction of a new job or the prospect of a period outside the workforce which 'pulls' them while on other occasions they are 'pushed' due to dissatisfaction in their present jobs to seek alternative employment. However, sometimes it is a mixture of both pull and push factors at play. It further claims that a lot of people are just waiting for the right opportunity to leave. It also states that turnover can among other things be influenced by age where young employees are more likely to switch jobs as compared to their older counterparts who prefer job security. CIPD notes that in cases where it is relatively easy to find and train new employees quickly and at relatively little cost, it is possible to sustain high quality levels of service provision despite having a high turnover rate. On the other hand, however, where the skills are relatively scarce, and recruitment is costly and tedious, turnover is likely to be problematic from a management point of view. This is especially true of situations with strong customer interaction. This seems to be the issue bedeviling the hospitality industry. Deloitte (2004), in a report on employee demographic changes, state that the number of skilled 15-29 year olds entering the job market is steadily shrinking, while the population continues to age in both developed and developing countries. This particular phenomenon coupled with the rising globalization has led to increase in the strain on firms' human resources.

Bauder (2006) theorises that since labour markets are far from perfect, the labour market can be split into primary and secondary sector. In the primary sector, the whole of the workforce is

motivated to serve their employer diligently through wages, health benefit, job security and pension. This kind of job market consists majorly of blue collar and white collar jobs. This sector is characterized by high-status jobs which are better paid. Employers in this sector offer the best terms and condition and the jobs are considered mainly occupational. The employees in this sector attempt to prove themselves to their employees by portraying their abilities, skills and academic prowess. Turnover in this sector is minimal. On the other hand, turnover is significantly high in the secondary sector as employees either leave or are replaced quickly. Jobs in this sector are mostly low-skilled, require relatively little training and can be learned relatively quickly and on the job. In this sector, there are few barriers to job mobility since jobs are unattractive and there are fewer incentives to stay on. Wages are low and the terms and conditions are quite poor. Since specific professional skills are not required, employees in this sector switch jobs and employers with considerable ease. Many employees in the hospitality industry belong in this sector.

Phillips and Connell (2003) in Kuria, S., Odingi A. and Wanderi P. (2012) propose that almost all industrialized nations and even a good number of of developing countries have experienced long economic expansions. As these economies grow, job growth will accompany the economic expansions translating directly into new jobs which in turn create new opportunities for employees to leave current employment as the labour market expands.

Kimosop, D.J (2007) suggests that the best way to deal with employee turnover is to tap the internal labour market. She says that since most people are opportunity seekers, it is important that employees are made aware of the vacancies and opportunities that exist within their organization. Thus, internal postings should be readily available and easily accessible. She further

suggests that it is very importance for organizations to consider strengthening social ties in the organization to promote organizational loyalty. According to her, loyalty to companies may be disappearing but loyalty to colleagues is not. Thus, by encouraging the development of social ties among key employees, companies can often significantly reduce turnover among workers whose skills are in high demand. She says that it may be difficult to counter the pull of the market and so efforts have to be made not only to minimize the overall employee turnover but also to have an influence on who leaves, why and when.

Most of the studies reviewed indicate that labour market plays a significant role in determining employee turnover. However, the studies do not exploit the phenomena of supply and demand of labour in determining labour turnover as an independent variable. They have viewed labour market as a sub-factor of other greater factors such as reward and compensation. In this study, labour market was treated as a major factor to assess its contribution to employee turnover intentions.

2.3.5 Leadership style and staff turnover

Wadongo, B et al (2010) carried out a study on Key performance indicators in the Kenyan hospitality industry. They were interested in finding out the impact of managerial characteristics on key performance indicators in the Kenyan hotel industry. They found that hospitality managers in Kenya almost exclusively monitor competitiveness and financial dimensions of performance with little or no attention being paid to non-financial or determinant measures. They concluded that key performance indicators are overwhelmingly dominated by result indicators, thus focusing management's attention even further toward the results of past actions rather than

toward determinants of future success which clearly demonstrates that performance measurement within the Kenyan hospitality industry is not balanced.

Chen and Silverthorne (2005) claim that leadership style affects a range of factors including job satisfaction, performance, turnover, and stress management. Yousef (2000) has it that leadership behavior is positively related to job satisfaction and therefore managers need to adopt appropriate leadership behaviour in order to improve on the job satisfaction thus ensure high retention. Rollinson (2005) states that leadership styles can be classified according to the power that the leader bears and his or her behavior. This can be categorized into autocratic, democratic, or laissez-faire, where styles are distinguished by the influence leaders have on subordinates.

Tain-Fungwu, Mei-Hui Tsai, Yeh-Hsun Fey and Robert T. Y. Wu (2006) recognize employees perceive three types of leadership in organizations. These are delegating (empowerment), selling (persuasion) and and telling (command) style. According to them, a telling style is adopted most frequently by the line managers if their top-level managers possess an authoritative leadership style. On the contrary, selling and delegating leadership styles are adopted most frequently by the line managers if their top-level managers possess a democratic leadership style. They further indicated that when managers use more selling, participating, and delegating leadership styles, the employees' organizational commitment is higher. In contrast, the use of the telling leadership style does not strengthen the employees' organizational commitment. They thus suggested that the authorities concerned should make some plans to train managers in the aspects of effective leadership. This is so because the products and services provided by international tourist hotels depend on good performance from all members, from CEOs right to the lower supervisors, effective leadership plays a critical role.

Organisations in the hospitality industry should employ effective leadership style in order to improve guest services and employee job satisfaction (Woods and King, 2002). Managers in the hospitality industry can improve employee job satisfaction (Purcell et al., 2003; Mullins, 1998) using their leadership style to motivate employees and to achieve organisational goals (Kavanaugh and Ninemeier, 2001). Namasaka, D, Poipoi, M and Mamuli, L (2013) observe that management should proactively and always hasten the replacement of those employees who leave the organization to reduce the negative effect brought about by the staff turnover. Management should improve the terms and conditions of services to improve on the staff retention rate so as to avoid liabilities caused by staff turnover.

Saad-Ur-Rehman, Muhammad Mansoor and Rafi Ullah Bilal (2012) say that the best suited leadership style in any organization is that which inspires subordinates' potential and working ability to enhance efficiency and effectiveness in an organization. They suggested that companies should strive to have their leadership take into considerations their styles of leadership so that his subordinates can feel comfortable with him/her at work place since less stressed employees at the work place are more productive than stressed ones.

Iravo, M., Namusonge, G and Muceke, N (2012) argue that one of the critical roles of management is to create a work environment that will endear the organization to employees. Influencing these employees' decision to be committed and remain with the organization even when other job opportunities exist outside the organization is also a function of the leadership of a company. They further posit that leaders and their skill in building a climate of retention, a culture that speaks to employees in a way that encourages them to stay, will be an organization's

best defense against unwanted turnover and so leaders are the secret weapon in keeping valued talent longer.

All the above studies recognize the important role played by leadership style in determining how long employees are expected to stay in the company. However, little has been done on leadership and turnover in the hospitality industry in the third world where most of the leadership finds itself in a straight jacket as far as the availability of trained labour is quite a challenge. This study, however, endeavoured to look into the effect of leadership on turnover in the hospitality industry in Kenya, a developing country.

2.3.6 Organisational culture and employee turnover

Kuria, S., Odingi A. and Wanderi P. (2012) recognize organizational culture as an important factor in determining employee turnover behavior. They say that the reward system, the strength of leadership, the ability of the organizations to elicit a sense of commitment on the part of employees and its development of a sense of shared goals, among other factors, will influence an employee job satisfaction and therefore have a bearing on turnover intentions and turnover rate.

Organizational culture is a descriptive term which is concerned with how employees perceive the characteristics of an organization. This appraisal of the organization by the stakeholders especially the employees on its characteristics gives a composite picture of the organization's culture. This picture, in turn, will become the basis for shared feelings that members have about the organization, how things are done and the expected code of behavior. (Robbins and Sanghi, 2007).

Kumar, R., Ramendran, C and Yacob, P (2012) observe that the values and beliefs that emerge from the ongoing negotiation and practices among group members become a source of reference for what is deemed acceptable or unacceptable in an organization. They further state that organizational culture is an important aspect of organizational behaviour and a concept that is useful to understand how organizations function since it helps determine how well a person fits within a particular organization. They argue that strong cultures have a greater impact on employee behavior and are more directly related to reduction of turnover, saying that strong culture should lead to lower employee turnover and vice versa.

Muhammad Ehsan Malik, Rizwan Qaiser Danish and Yasin Munir (2011) pointed out that organizational culture, promotions, training practices and hiring of the personnel have direct influence on employee's turnover and retention behavior and that organizational goals, missions, rewards, compensations and recognitions positively decrease turnover rate of the employees in any organization.

The studies discussed above point to the fact that organizational culture plays a crucial role in influencing employee turnover in an organization. However, it is quite clear that organizational culture has been given little consideration as a determinant of organizational culture. This study, however, looked into individual contribution of organizational culture to the overall organizational turnover.

2.4 Conceptual Framework

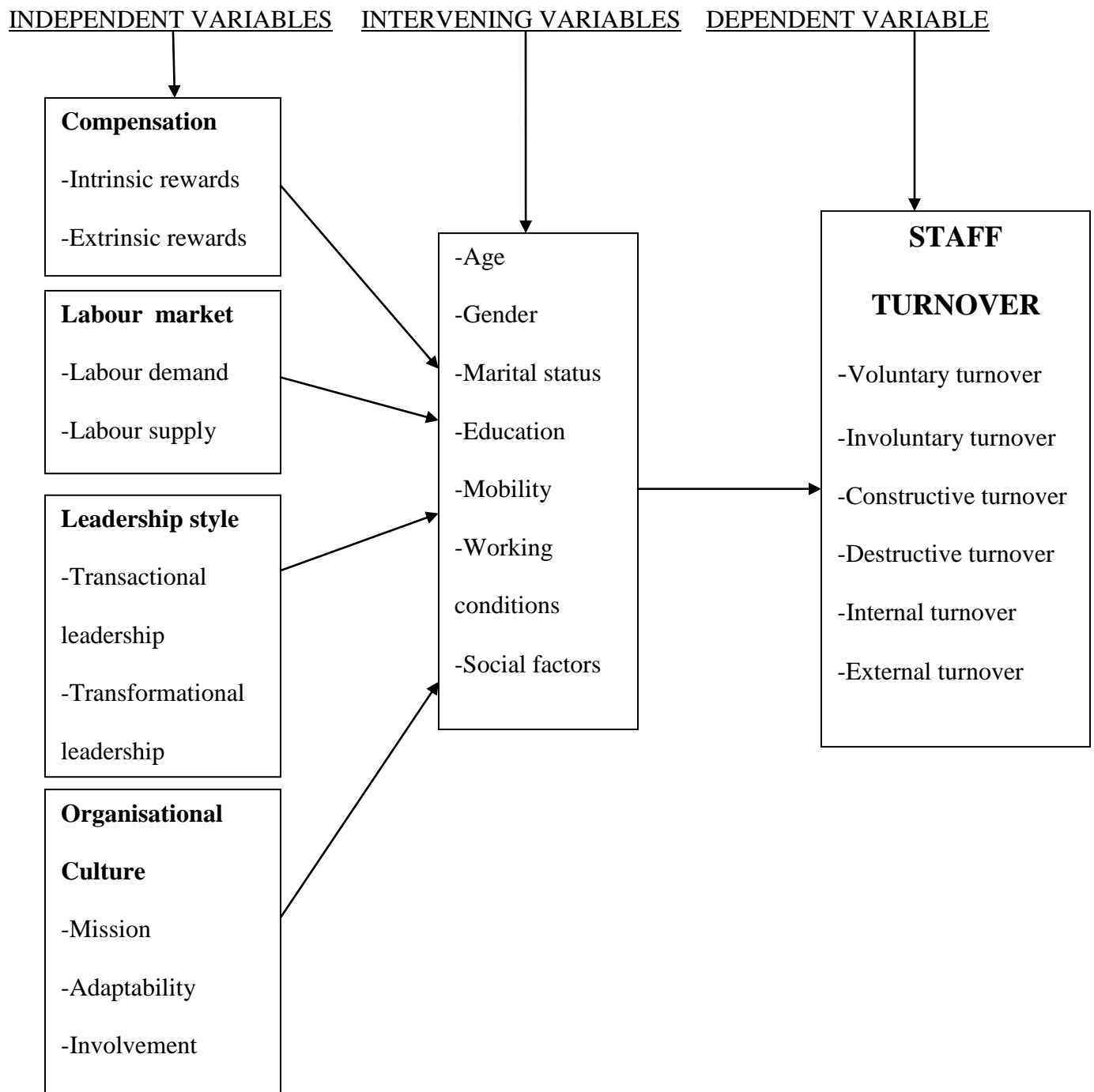


Fig 2.4: A conceptual framework for the factors affecting staff turnover

Source: Researcher (2013)

CHAPTER THREE

3.0 METHODOLOGY

3.1 Introduction

This chapter covers the research design, the target population, the sampling design, the research instruments, data collection techniques and data analysis.

3.2 Research design

This study was conducted through cross-sectional design to gather primary data. This is the case where the researcher interviews a sample group either one by one or as a group to represent the opinions of the whole population. The advantages of the design over other research designs are that the data can be collected within a short period of time and is less expensive (Bailey, 1978). The independent variables for this study were compensation, labour market, leadership style and the organizational culture. The dependent variable was staff turnover. This design enabled the researcher to carry out the study effectively considering from a large population at the limited time and resources. It also ensured the ability to understand a population through investigating a part of it. The survey design entails self-report study involving collection of quantifiable data from a sample. The design may however suffer from several setbacks such as being dependent on the co-operation, honesty and knowledge of the respondents but these were considered insignificant considering its positive contributions to this study.

3.3 Target Population

There are 35 businesses in the hospitality industry in Kitui town with a total of 1200 employees. Out of the 35 firms, 7 firms (constituting a representation of 20%) with a total of 210 employees (constituting a representation of 10%) were sampled to provide the respondents. Mugenda &

Mugenda (1999) are of the opinion that in a large population (like the one under study) representation 10% and above is acceptable. Out of these 210 employees, 70 were picked to form the target population for the study. The firms selected were evenly distributed within the study area. Kitui town is located almost midway between Mombasa and Mt. Kenya. It is therefore a resting hub for tourists travelling from Mombasa to Mt. Kenya and back. The researcher is a resident of the town and owing to the vastness of the country, Kitui town was considered appropriate for providing a focal point for the study of factors influencing employee turnover in hospitality industry in Kenya.

The table below shows a list of the firms that were selected to provide the sample and the number of employees each firm had.

Table 3.3 Firms sampled

No.	Name of the firm	No. of employees	%
1	Kiembeni Country Club	30	14.30
2	Parkside Villa and Hotel	40	19.05
3	Kitui Resort Club	25	11.90
4	The Beach Club	25	11.90
5	Bavaria Club	25	11.90
6	Riverside Motel	40	19.05
7	Flavours Restaurant	25	11.90
Total		210	100

Source: Researcher (2013)

3.4 Sampling design and sample size

The study employed a multi-stage sampling strategy. A multi-stage sampling strategy is a sampling method in which the population is divided into a number of groups or primary stages from which samples are drawn; these are then divided into groups or secondary stages from which samples are drawn, and so on. Multi-stage sampling begins first with the construction of the clusters. Next, the researcher identifies which elements to sample from within the clusters, and so on until they are ready for the study. There are 35 businesses in the hospitality industry in Kitui town. Those operating 24/7 are 10 while those which operate till 11 o'clock are 25. This forms a ratio of 2:5. This ratio was used to pick 7 firms in the primary stage. The primary stage involved cluster random sampling where 7 firms were picked from the possible 35. At least 210 workers from the 7 firms were selected to form a representative population. At the secondary sampling stage, the researcher employed proportionate stratification. With proportionate stratification, the sample size of each stratum is proportionate to the population size of the stratum. Strata sample sizes were determined by the following equation:

$$n_h = (N_h / N) \times n$$

Where n_h was the sample size for stratum h , N_h the population size for stratum h , N the total population size, and n was the total sample size.

The table below shows the number of respondents selected from each firm.

Table 3.4 Sample size per firm

No.	Name of the firm	No. of employees	% to be selected	Sample size(n_h)
1	Kiembeni Country Club	30	33.33	10
2	Parkside Villa and Hotel	40	33.33	14
3	Kitui Resort Club	25	33.33	8
4	The Beach Club	25	33.33	8
5	Bavaria Club	25	33.33	8
6	Riverside Motel	40	33.33	14
7	Flavours Restaurant	25	33.33	8
Total		210	33.33	70

Source: Researcher (2013)

3.5 Research instruments

According to Kothari (2004) structured questionnaire is best suited for descriptive study as it is easily applied and requires less skill. Mugenda and Mugenda (1999) have it that a guided interview can be used to interview the respondents. This is especially so when dealing with illiterate respondents. The researcher therefore used questionnaires and interviews as the main tools for collecting primary data. The selection of these tools was guided by the nature of data to be collected, the time available as well as the objectives of the study. The researcher was mainly concerned with views, opinions, perceptions, feeling and attitudes. Such information is best collected through the use of questionnaires and interview technique.

3.6 Piloting

The pilot study gives the researcher the opportunity to evaluate the usefulness of the data (Kothari, 2004). Before the instruments were used to collect the data for the study, a pilot study was conducted in two of the firms in the industry in Kitui. This involved a test-retest carried out in two firms. According to Aiken (1994), test-retest assessment is important since it takes into account errors produced by differences in conditions associated with the two occasions on which the test is administered. The two firms were picked from the population but were not involved in the final study. The pilot study was not only to gauge the reliability of the research instruments but also helped to provide data for making estimates of time and the cost for completing various phases of the research (Gall and Borg, 1996). The number of respondents for the pilot study has to be between 9% - 10% of the sample population (Gall and Borg, 1996). In this study a total of 20 respondents from two firms were used for the pilot study, since the total sample population is 210. This represented 9.5% of the total population.

3.6.1 Validity of the instruments

Validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study (Mugenda and Mugenda, 1999). If such data is a true reflection of the variables, then the inferences based on such data will be accurate and meaningful. The research adopted the content validity by discussing the questionnaires and interview schedules with the supervisor who is a research expert to ascertain the validity of the instruments.

3.6.2 Reliability of the Instruments

Reliability is a measure of the degree to which research instruments yield consistent results after repeated trials. It is basically the the degree to which test scores are free from measurement

errors. (Fairchild, 2002; Mugenda and Mugenda, 1999; Gall and Borg, 1996). The test – retest method was employed to establish the reliability of the questionnaires. This was done by administering the same instrument to the same group of respondents more than once. (Gregory, 1992). The time that should elapse before the subsequent test is done should be chosen with a lot of care. (Gall and Borg, 1996). If the re-test is administered too soon after the initial test, respondents may recall their responses to many of the questions which will tend to produce artificially high reliability coefficient. On the other hand, if the re- testing is delayed too long there is a high chance that the respondents' ability to answer some items will change, leading to extremely low reliability coefficient. For most social researches a period of two to four weeks is the most appropriate (Gregory, 1992). The researcher therefore administered a retest after two weeks. The researcher then used the Cronbach's alpha analysis to calculate the Cronbach's alpha co-efficient between the two sets of responses. The value of the co-efficient ranges from 0 to 1 with reliability increasing as it approaches 1. Nunnaly (1978) recommends a value of 0.7 to be acceptable. Therefore, the researcher was to settle for a value of 0.7 and beyond.

3.7 Data collection procedure

The researcher first obtained permission from the relevant authorities who included Kenyatta University, Municipal Council of Kitui, Office of the County Commissioner, Kitui and the National Chamber of Commerce and Industry, Kitui Branch. He then set out on a pilot study which will involved employees and managers from two firms. These firms were picked from the population but were not involved in the final study. After ascertaining the validity and reliability of the research instruments, the researcher then embarked on the main study. Quantitative and qualitative data were collected from 70 respondents from 210 employees and managers from 7 firms using interviews and questionnaire. The researcher used Likert scale for most of the

questionnaire items for ease of interpretation and analysis of the data. The data was collected by the researcher himself because of the financial implications of having an assistant and also because the researcher would need to have an ownership of the research.

3.8 Data analysis

Data analysis refers to examining the collected data and making discussions, inferences and conclusions Kothari (2004). Data were first inspected and edited. It was then coded for ease of analysis. Qualitative data were prepared by coding the responses into themes with each theme being assigned a closed-headed meaning. The data were analyzed using descriptive statistics. The statistical package for social sciences (SPSS) was used to process and analyze the data collected which was then presented in form of frequency tables. This was done according to the variables which included reward and compensation, labour market, leadership/managerial style, and the organizational culture as the factors influencing the employee turnover in the hospitality industry. Multiple regression analysis technique was used to calculate factors affecting employee turnover in the hospitality industry since it indicates the individual effect of each independent variable on the dependent variable. It also permits one to analyze a relationship among a large number of variables in a single study (Gall and Borg, 1996). The researcher adopted the following model;

$$Y = x_0 + x_1 + x_2 + x_3 + x_4 + \beta$$

Where;

Y=Employee turnover

x_0 =Constant

x_1 =Reward and Compensation

x_2 =Labour market

x_3 =Leadership/Managerial style

x_4 =Organisational culture and

β =Unknown parameters

3.9 Ethical Considerations

The researcher observed social and professional ethics before, during and after carrying out the main research. The researcher sought permission from the relevant authority before embarking on the research. The researcher ensured that data collection did not lead to physical or emotional harm of the respondents. The researcher assured the respondents of utmost confidentiality of their responses and anonymity of the source of any data. To ensure objectivity in the research, the researcher ensured that personal bias and opinion did not get in the way of the research and that all sides were given a fair consideration. The researcher took care not to take advantage of easy-to-access groups by choosing respondents based on what would most benefit the research. When reporting the findings, the researcher took care to accurately represent what was actually observed or said by the respondents. The interview responses and observations were to be discussed only in appropriate context.

CHAPTER FOUR

4.0 DATA PRESENTATION AND FINDINGS

4.1. Introduction

Results of analysis are presented using descriptive tables of frequencies and Percents. Demographic questions are primarily analyzed based on total. Further analysis is done for specific objective questions and multiple regression.

4.2. Demographic descriptive analyses

4.2.1. County of respondent

Results of analysis are presented using descriptive tables of frequencies and Percentages. Results are in the table 4.2.1 below

Table 4.2.1: County of respondent

	Frequency	Percent
Kitui	55	78.6
Nyeri	3	4.3
Makueni	4	5.7
Machakos	8	11.4
Total	70	100.0

Source: Questionnaire

Results in table 4.1 above shows most of respondents hailing from Kitui County i.e. 78.6% of the respondents. The rest are fairly distribution among Nyeri, Makueni and Machakos Counties.

4.2.2. District of respondent

The results are shown in table 4.2.2 below.

Table 4.2.2: District of respondent

	Frequency	Percent
Mutito	5	7.1
Katulani	8	11.4
Kieni	3	4.3
Migwani	3	4.3
Kyuso	3	4.3
Mutomo	3	4.3
Matinyani	3	4.3
Mwingi central	3	4.3
Kitui central	11	15.7
Kitui South	4	5.7
Mukaa	4	5.7
Kangundo	4	5.7
Muumoni	4	5.7
Kitui West	8	11.4
Mwala	4	5.7
Total	70	100.0

Source: Questionnaire

Table 4.2.2 shows again majority of respondents coming from Kitui central district. It rather shows a wider distribution at district level with some of workers from almost all neighbouring districts.

4.2.3. Gender of respondent

The results about gender distribution are presented in table 4.2.3 below.

Table 4.2.3: Gender of respondent

	Frequency	Percent
Male	34	48.6
Female	36	51.4
Total	70	100.0

Source: Questionnaire

From results in table 4.3 above, distribution of gender is almost balanced with males being 48.6% and females 51.4%. This represents unbiased society were males are supposed to be at par with females.

4.2.4. Age group of respondent

Age group of the respondent was analyzed and results presented as in the table 4.2.4 below.

Table 4.2.4: Age group of respondent

	Frequency	Percent
18 - 24 years	14	20.0
25- 30 years	27	38.6
31- 36 years	18	25.7
37- 45 years	11	15.7
Total	70	100.0

Source: Questionnaire

From table 4.4 above, it shows worker age 25 to 30 years are dominant at 38.6%, those age 31 to 36 were 25.6% while young adult i.e. 18 to 24 years were 20%.

4.2.5. Marital status of respondent

The results of this demographic are shown in table 4.2.5 below.

Table 4.2.5: Marital status of respondent

	Frequency	Percent
Single	29	41.4
Married	34	48.6
Divorced	3	4.3
Separated	4	5.7
Total	70	100.0

Source: Questionnaire

From table 4.5 above, married workers constitute 48.6%, single 41.4%, divorced 4.3% and separated 5.7%. This is representative since under normal circumstances working population comprises of mature cohort who are expected to be socially in relationship or married.

4.2.6. Education level of respondent

The results of this demographic are shown in table 4.2.6 below.

Table 4.2.6: Education level of respondent

	Frequency	Percent
Postgraduate level	4	5.7
Undergraduate level	3	4.3
A- Level	7	10.0
O-Level	34	48.6
Primary level	22	31.4
Total	70	100.0

Source: Questionnaire

From table 4.6 above, dominant level of education is o-level with 34(48.6%) of the workers. Workers with primary level of education are 22 and at least 4 workers are post graduated in education. This means at least all workers have basic education.

4.3. Analysis of interviews from managers

4.3.1. Length of service in current firm

The results of this analysis are shown in table 4.3.1 below

Table 4.3.1: Length of service in current firm

Years	Frequency	Percent
4	1	14.3
5	2	28.6
6	3	42.9
10	1	14.3
Total	7	100.0

Source: Interview schedule

From table 4.7 above, 3 managers out of 7 have served in their current station for a period of 6 years. Two managers have served for five years, 1 manger has served for 4 years and only 1 manager has served for 10 years.

4.4. Effects of labor market on staff turnover in the hospitality industry in Kenya

4.4.1 Prior training not required

This is the first positive statement on labour market. The results of the likert scale are computed in counts (frequencies) as shown in table 4.4.1 below.

Table 4.4.1: Prior training not required

	Frequency	Percent
Strongly Agree	24	34.3
Agree	36	51.4
Disagree	7	10.0
Strongly Disagree	3	4.3
Total	70	100.0

Source: Questionnaire

From table 4.8 above, Worker strongly agreeing are 24(34.3%), agreeing 36(51.4%), disagreeing 7(10.0%) and strongly disagreeing 3(4.3%). It is clear that most of workers agreed with the statement by 85.7% majority.

4.4.2 I know upon leaving the job I will get another one

The result of the second statement about labor markets are shown in table 4.4.2 below

Table 4.4.2: I know upon leaving the job I will get another one

	Frequency	Percent
Strongly Agree	14	20.0
Agree	39	55.7
Neutral	14	20.0
Strongly Disagree	3	4.3
Total	70	100.0

Source: Questionnaire

From table 4.9 above, strongly agree and agree added up to 75.7% while neutral and strongly disagree added up to 24.7%. From the findings, it is clear that most worker opt to get another job after leaving their current job.

4.4.3. Vacancies in this industry are superfluous

The results of third statement on labour markets are shown in table 4.4.3 below.

Table 4.4.3: Vacancies in this industry are superfluous

	Frequency	Percent
Strongly Agree	21	30.0
Agree	27	38.6
Neutral	3	4.3
Disagree	19	27.1
Total	70	100.0

Source: Questionnaire

From table 4.10 above, workers who said strongly agree were 21(30%), those who said agree were 27(38.6), neutral were 3(4.3%) and disagree were 19(27.1%). It can be concluded that workers believe there exists many vacancies in the industry.

4.4.4. Whether trained for the job

Results on whether the worker has undertaken training are shown in table 4.4.4 below.

Table 4.4.4: Whether trained for the job

	Frequency	Percent
Yes	17	24.3
No	53	75.7
Total	70	100.0

Source: Questionnaire

Results in table 4.11 show that 75.7% of workers had not undertaken training. Only a small percentage of 24.3% has trained in their area.

4.4.5. Level of training for the trained

The results of this analysis are shown in table 4.4.5 below

Table 4.4.5: Level of training for the trained

	Frequency	Percent
Degree	7	41.2
Higher diploma	3	17.6
Diploma	4	23.5
Certificate	3	17.6
Total	17	100.0

Source: Questionnaire

Results in table 4.12 shows that 7 workers out of the 17 workers who had trained have managed to train up to a degree level, 3 workers have trained up to higher diploma, 4 workers have trained up to diploma level and 3 workers have trained up to certificate level.

4.4.6. How the staff acquired the job

The results of this analysis are shown in table 4.4.6 below

Table 4.4.6: How the staff acquired the job

	Frequency	Valid Percent
Job search	31	58.5
Inheritance	10	18.9
Reffered	12	22.6
Total	53	100.0

Source: Questionnaire

Results in table 4.13 shows that, 58.5% acquired the job through job searching, 22.6% acquired through referral and 18.9% acquired through inheritance.

4.4.7. Ranking satisfaction with the job

The results of this analysis are shown in table 4.4.7 below.

Table 4.4.7: Ranking satisfaction with the job

	Frequency	Percent
High	11	15.7
Moderate	34	48.6
Not satisfying	25	35.7
Total	70	100.0

Source: Questionnaire

Results show that 48.6% ranked their job moderate, 15.7% ranked it high and 35.7% ranked the job not satisfying. It can be concluded that most of workers are under employed.

4.4.8. Whether the staff can opt to change job

The results of this analysis are shown in table 4.4.8 below.

Table 4.4.8: Whether the staff can opt to change job

	Frequency	Percent
Yes	55	78.6
No	15	21.4
Total	70	100.0

Source: Questionnaire

From the results, 78.6% of employees can change their job given a chance while 21.4% will be willing to retain. This is another indication of under employment where workers go on searching for better jobs as they worker.

4.4.9. Reason for change job

The results of this analysis are shown in table 4.4.9 below

Table 4.4.9: Reason for change of job

	Frequency	Percent
For better pay(Yes)	55	78.6
Due to poor working conditions(No)	3	4.3
Passion for work(No)	4	5.7
For further studies(No)	4	5.7
Total	66	94.3
No reason	4	5.7
Total	70	100.0

Source: Questionnaire

The results further show that all those who wish to change their job would do so for a better pay, for further studies and due to poor working conditions. Workers not wishing to would fail because of passion for work.

4.4.10. Whether the staff can opt to change Industry

The results of this analysis are shown in table 4.4.10 below.

Table 4.4.10: Whether the staff can opt to change Industry

	Frequency	Percent
Yes	47	85.45
No	8	14.55
Total	55	100.00

Source: Questionnaire

From results above, 85.45% of worker would wish to change their industry while only 14.55% would rather remain in the same industry.

4.4.11. Reasons for changing industry

The results of this analysis are shown in table 4.4.11 below.

Table 4.4.11: Reasons for changing industry

	Frequency	Percent
For exposure	8	14.5
For better pay	38	69.1
Foe safety	2	3.6
For career growth	3	5.5
Lack of respect	4	7.3
Total	55	100.0

Source: Questionnaire

From the above results, reasons for changing industry include; exposure (14.5%), better pay (69.1%), safety (3.6%), career growth (5.5%) and due lack of respect (7.3%). A total of 55 workers wishing to change career answered this question.

4.4.12. Whether this is the employee’s first job

The results of this analysis are shown in table 4.4.12 below.

Table 4.4.12: Whether this is the employee’s first job

	Frequency	Percent
Yes	32	45.7
No	38	54.3
Total	70	100.0

Source: Questionnaire

Results in table 4.4.12 above indicate that 45.7% of the respondents were in their first job while 54.3% were not in their first job.

4.4.13. Number of previous jobs

The results on number of previous jobs are shown in table 4.4.13 below.

Table 4.4.13: Number of previous jobs

	Frequency	Percent
1	6	15.8
2	17	44.7
3	4	10.5
5	8	21.1
6	3	7.9
Total	38	100.0

Source: Questionnaire

From the results above, most respondents had 2 jobs before i.e. 17 workers, 8 workers had 5 jobs before, 6 workers had 1 job before, 4 workers had 3 jobs before and 3 workers had 6 jobs before.

4.4.14. Whether previous job was on the same industry

The results of this analysis are shown in table 4.4.14 below.

Table 4.4.14: Whether previous job was on the same industry

	Frequency	Percent
Yes	29	76.3
No	9	23.7
Total	38	100.0

Source: Questionnaire

Results further indicates that out 38 workers who had job(s) previous, 29 had the job in the same industry while 9 workers had the job in a different industry.

4.4.15. Reason for changing job

The results of this analysis are shown in table 4.4.15 below.

Table 4.4.15: Reason for changing job

	Frequency	Percent
Poor working conditions	6	15.8
Marriage force	3	7.9
Poor payments	29	76.3
Total	38	100.0

Source: Questionnaire

From the results above 29 (76.3%) of workers had changed due to poor payments, 6 (15.8%) workers had changed due to poor working conditions and 3 (7.9%) had changed due to marriage force.

4.5. Effects of compensation on staff turnover in hospitality industry in Kenya

4.5.1. Rewards and compensation is not in tandem with job done

The results of the first positive statement on compensation are shown in table 4.5.1 below.

Table 4.5.1: Compensation is not in tandem with job done

	Frequency	Percent
Strongly Agree	27	38.6
Agree	32	45.7
Neutral	8	11.4
Disagree	3	4.3
Total	70	100.0

Source: Questionnaire

Results in table 4.22 above shows strongly agreeing workers made 38.6%, agreeing workers were 45.7%, neutral workers were 11.4% and disagreeing workers were 4.3%. It can therefore be concluded that 84.3% of workers agreed with the statement.

4.5.2. Compensation is worse than in other firms

The results of this analysis are shown in table 4.5.2 below.

4.5.2: Rewards and compensation is worse than in other firms

	Frequency	Percent
Strongly Agree	11	15.7
Agree	33	47.1
Neutral	22	31.4
Disagree	4	5.7
Total	70	100.0

Source: Questionnaire

From the results above, strongly agree had 15.7%, agree had 47.1%, neutral had 31.4% and disagree had 5.7%. This indicates that 62.8% of workers agreed that rewards and compensation is worse than in other firms.

4.5.3. Given the opportunity, I can look for better job

The results of this analysis are shown in table 4.5.3 below.

Table 4.5.3: Given the opportunity, I can look for better job

	Frequency	Percent
Strongly Agree	30	42.9
Agree	36	51.4
Neutral	4	5.7
Total	70	100.0

Source: Questionnaire

From the results above, workers who said strongly agree were 42.9%, agree were 51.4% and neutral were 5.7%. This also means that workers agreed with this statement and would look for a job elsewhere.

4.5.4. Ranking Compensation

The results of this analysis are shown in table 4.5.4 below.

Table 4.5.4: Ranking Compensation

	Frequency	Percent
Good	14	20.0
Moderate	28	40.0
Bad	21	30.0
Very bad	7	10.0
Total	70	100.0

Source: Questionnaire

Results on ranking above show that; workers ranking compensation as good were 20%, those saying moderate were 40%, bad had 30% and very bad 10%.

4.5.5. Whether remuneration is satisfying

The results of this analysis are shown in table 4.5.5 below.

Table 4.5.5: Whether remuneration is satisfying

	Frequency	Percent
Yes	18	25.7
No	52	74.3
Total	70	100.0

Source: Questionnaire

Results in table 4.27 above shows 18(25.7%) of workers are satisfied with their current remuneration while 52(74.3%) are not satisfied.

4.5.6. Job motivation

The results of this analysis are shown in table 4.5.6 below.

Table 4.5.6: Job motivation

	Frequency	Percent
To keep my dependants	16	30.8
Lack of better jobs elsewhere	32	61.5
Lack of merit	4	7.7
Total	52	100.0

Source: Questionnaire

From results in table 4.28 above 32 workers still keep to their jobs since they lack better jobs elsewhere, 16 workers keep because they have dependants and only 4 keep to their current job due to lack of merit.

4.5.7. Ranking compensation from previous experience

The results of this analysis are shown in table 4.5.7 below.

Table 4.5.7: Ranking compensation from previous experience

	Frequency	Percent
Better	28	73.7
Same	10	26.3
Total	38	100.0

Source: Questionnaire

Results above shows that out the 38 workers who had worked elsewhere earlier, 28 of them regard their current firm as better while the other 10 workers term it the same.

4.6. Effects of leadership style on staff turnover in hospitality industry in Kenya

4.6.1. Leadership here is worse than any other firm I have ever worked in

The results of the first statement about leadership style are shown in table 4.6.1 below.

Table 4.6.1: Leadership here is worse than any other firm I have ever worked in

	Frequency	Percent
Strongly Agree	13	34.2
Agree	12	31.6
Neutral	7	18.4
Disagree	6	15.8
Total	38	100.0

Source: Questionnaire

Result above shows 13 (34.2%) of workers strongly agreed, 12(31.6%) of workers agreed, 7(18.4%) were neutral and 6(15.8%) disagreed. This indication show workers find their current firm leadership worse than any other place. This question is answered by only 38 workers who had worked elsewhere before.

4.6.2. Leadership here emphasizes more on result than humanity

The results of the second statement on leadership style are shown in table 4.6.2 below.

Table 4.6.2: Leadership here emphasizes more on result than humanity

	Frequency	Percent
Strongly Agree	15	21.4
Agree	35	50.0
Neutral	12	17.1
Disagree	8	11.4
Total	70	100.0

Source: Questionnaire

From the results above, all respondents answered the question. Strongly agree had 21.4%, agree 50%, neutral 17.1% and disagree 11.4%. This shows strong support of the statement by 71.4% of the total respondents.

4.6.3. Leadership here does not recognize individual effort but mistakes

The results of the third statement on leadership style are shown in table 4.6.3 below.

Table 4.6.3: Leadership here does not recognize individual effort but mistakes

	Frequency	Percent
Strongly Agree	19	27.1
Agree	30	42.9
Neutral	14	20.0
Disagree	7	10.0
Total	70	100.0

Source: Questionnaire

Results in table 4.32 above shows that 27.1% of the workers strongly agreed, 42.9% agreed, 20% were neutral and 10% disagreed. From the findings, 70% of workers can be termed to be agreeing with the statement.

4.6.4. Ranking leadership style in the organization in relation to previous organization

The results of this analysis are shown in table 4.6.4 below.

Table 4.6.4: Ranking leadership style in the organization in relation to previous organization

Rank	Frequency	Percent
Better	23	60.5
Same	12	31.6
Worse	3	7.9
Total	38	100.0

Source: Questionnaire

From the results above, 60.5% of workers ranked their current firm leadership style as better, 31.6% found it the same and 7.9% said it was worse.

4.6.5. Commenting on leadership style for job beginners

The results of this analysis are shown in table 4.6.5 below.

Table 4.6.5: Commenting leadership style for job beginners

	Frequency	Percent
Good	24	75.0
Poor	4	12.5
No better place	4	12.5
Total	32	100.0

Source: Questionnaire

Results of the study shows 24 (75%) of workers commenting the leadership style as good, 4(12.5%) says it is poor and another 4 (12.5%) saying there is no better place.

4.6.6. Type of leadership style

The results of this analysis are shown in table 4.6.6 below.

Table 4.6.6: Type of leadership style

	Frequency	Percent
Autocratic	37	52.9
Democratic	25	35.7
Laissez faire	8	11.4
Total	70	100.0

Source: Questionnaire

Results in table 4.6.6 indicate that 52.9% of workers termed the leadership style as autocratic, 35.7% termed it as democratic and 11.4% said it was 'laissez faire'.

4.6.7. Frequency of involving workers in decision making process

The results of this analysis are shown in table 4.6.7 below.

Table 4.6.7: Frequency of involving workers in decision making process

	Frequency	Percent
Often	20	28.6
Rarely	50	71.4
Total	70	100.0

Source: Questionnaire

Results in table 4.36 above shows that 71.4% of workers said they are not involved in decision making process in their firm while 28.6% said workers are often involved in decision making process.

4.6.8. Ranking superiors

The results of this analysis are shown in table 4.6.9 below.

Table 4.6.8: Ranking superiors

	Frequency	Percent
Friendly	15	21.4
Average	31	44.3
Unfriendly	10	14.3
Very unfriendly	9	12.9
Hostile	5	7.1
Total	70	100.0

Source: Questionnaire

Result in table 4.6.8 above shows 21.4% ranked their superiors as friendly, 44.3% of workers ranked them as average, 14.3% ranked their superiors as unfriendly, 12.9% ranked their superiors as very unfriendly and 7.1% of workers ranked their superiors as hostile.

4.7. Effects of organizational culture on staff turnover in hospitality industry in Kenya

4.7.1. It is the culture of this firm for employees to leave

The results of the first statement on organizational culture are shown in table 4.7.1 below.

Table 4.7.1: It is the culture of this firm for employees to leave

	Frequency	Percent
Strongly Agree	33	47.1
Agree	29	41.4
Neutral	4	5.7
Disagree	4	5.7
Total	70	100.0

Source: Questionnaire

From the results above, 47.1% strongly agreed, 41.4% agreed, 5.7% were neutral and 5.7% disagreed. This shows a strong support of the statement that it is the culture of this firm for employees to leave.

4.7.2. It is hard to adapt to the work climate of this firm

The results of the second statement on organizational culture are shown in table 4.7.2 below.

Table 4.7.2: It is hard to adapt to the work climate of this firm

	Frequency	Percent
Strongly Agree	15	21.4
Agree	41	58.6
Neutral	3	4.3
Disagree	8	11.4
Strongly Disagree	3	4.3
Total	70	100.0

Source: Questionnaire

From the results in table 4.7.2 above, workers strongly agreeing were 21.4%, agreeing were 58.6%, those who were neutral 4.3%, disagreeing 11.4% and strongly disagreeing were 4.3%. Generally it can be concluded that workers agreed to the statement that it was hard to working climate of their firm.

4.7.3. Individual involvement in this organization is minimal

The results of the third statement on organizational culture are shown in table 4.7.3 below.

Table 4.7.3: Individual involvement in this organization is minimal

	Frequency	Percent
Strongly Agree	15	21.4
Agree	28	40.0
Neutral	11	15.7
Disagree	12	17.1
Strongly Disagree	4	5.7
Total	70	100.0

Source: Questionnaire

From the results in table 4.7.3 above, workers strongly agreeing were 21.4%, agreeing were 40.0%, those who were neutral 15.7%, disagreeing 17.1% and strongly disagreeing were 5.7%. Generally it can be concluded that workers agreed to the statement that Individual involvement in this organization is minimal.

4.7.4. Number of workers who have left during your stay

The results of rate of turnover are shown in table 4.7.4 below.

Table 4.7.4: Number of workers who have left during your stay

	Frequency	Percent
1 to 5 staffs	29	41.4
6 to 10 staffs	18	25.7
11 to 15 staffs	11	15.7
16 staffs and above	12	17.1
Total	70	100.0

Source: Questionnaire

The results shows that 41.4% of workers had 1 to 5 employees departure in their firms over their stay time. 25.7% of workers had seen 6 up to 10 workers leave their job during the time they had stayed in the firm. 15.7% of workers had seen 11 up to 15 workers leave their job and 17.1% had at least seen 16 staffs departure from the firm.

4.7.5. Reasons for leaving

The results of this analysis are shown in table 4.7.5 below.

Table 4.7.5: Reasons for leaving

	Frequency	Percent
Bad pay	50	71.4
Poor working conditions	7	10.0
Rewards not satisfactory	4	5.7
Dissatisfaction with management style	8	11.4
Total	70	100.0

Source: Questionnaire

From the results above, bad pay is the major reason for leaving with 71.4%, dissatisfaction with working conditions 11.4%, poor working conditions 10.0% and rewards not satisfactory at 5.7%.

4.7.6. Whether same reasons can make you leave

The results of this analysis are shown in table 4.7.6 below.

Table 4.7.6: Whether same reasons can make you leave

	Frequency	Percent
Yes	69	98.6
No	1	1.4
Total	70	100.0

Source: Questionnaire

Results in table 4.7.6 above shows that 98.6% suggested a possibility of leaving under the same reasons. Only 1.4% said could not leave due to same reasons.

4.7.7. Number of new staffs who joined during your stay

The results of this analysis are shown in table 4.7.7 below.

Table 4.7.7: Number of new staffs who joined during your stay

	Frequency	Percent
1 to 5 staffs	37	52.9
6 to 10 staffs	21	30.0
11 to 15 staffs	4	5.7
16 staffs and more	8	11.4
Total	70	100.0

Source: Questionnaire

From the results above, 52.9% indicated that between 1 to 5 staffs had joined since they had joined. 30% said 6 to 10 staffs had since joined. Those who had 11 to 15 staffs joining were 5.7% and workers who had at least 16 staffs joining were 11.4%.

4.7.8. Whether it is habitual for staffs to leave the organization you are working in

The results of this analysis are shown in table 4.7.8 below.

Table 4.7.8: Whether it is habitual for staffs to leave the organization you are working in

	Frequency	Percent
Yes	64	91.4
No	6	8.6
Total	70	100.0

Source: Questionnaire

Result of the findings show 91.4% said it was the habit of staffs to leave the firm while 8.6% indicated otherwise.

4.8. Summarised analysis of managers' interviews findings

4.8.1. Frequency of involving employees in decision making process

The results of analysis for managers are shown in table 4.8.1 below.

Table 4.8.1: Frequency of involving employees in decision making process

	Frequency	Percent
Very Often	3	42.9
Quite often	1	14.3
Often	3	42.9
Total	7	100.0

Source: Interview schedule

From the results above, 3(42.9%) indicates that employees are very often and often involved in decision making process. 1(14.3%) of workers said the involvement is quite often. However, the sample size is small thus the percentages is not sufficient to conclude from but the count.

4.8.2. Level of duty delegation

The results of this analysis are shown in table 4.8.2 below.

Table 4.8.2: Level of duty delegation

	Frequency	Percent
High Very	3	42.9
Quite high	1	14.3
High	3	42.9
Total	7	100.0

Source: Interview schedule

From the results, 3 managers said they do delegate duties very highly, 1 manger said does so quite highly and 3 mangers indicated they just delegate duties highly.

4.8.3. Whether remuneration is competitive

The results of this analysis are shown in table 4.8.3 below.

Table 4.8.3: Whether remuneration is competitive

	Frequency	Percent
High	4	57.1
Average	3	42.9
Total	7	100.0

Source: Interview schedule

From table 4.8.3 managers said remuneration was high and the other 3 managers indicated level of remuneration was average.

4.8.4. Turnover during your stay

The results of this analysis are shown in table 4.8.4 below.

Table 4.8.4: Turnover during your stay

	Frequency	Percent
30	2	28.6
40	4	57.1
50	1	14.3
Total	7	100.0

Source: Interview schedule

From table 4.8.4 above, 4 managers indicated that 40 staffs had left during their stay, 2 managers said 30 staffs had left and 1 manager said 50 staffs had left.

4.8.5. Turnover due to willingness during your stay

The results of this analysis are shown in table 4.8.5 below.

Table 4.8.5: Turnover due to willingness during your stay

	Frequency	Percent
30	2	28.6
35	3	42.9
40	2	28.6
Total	7	100.0

Source: Interview schedule

Results above show that 2 managers said 30 members of their staff had left willingly, 3 managers indicated that 35 staffs had left willingly and 2 managers said 40 staffs had left willingly.

4.8.6. Turnover due to sacking during your stay

The results of this analysis are shown in table 4.8.6 below.

Table 4.8.6: Turnover due to sacking during your stay

	Frequency	Percent
1	3	42.9
5	3	42.9
10	1	14.3
Total	7	100.0

Source: Interview schedule

Results in table 4.8.6 above show 3 managers said 1 or 5 staffs had left after being sacked. Only 1 manager indicated that 10 staffs had left after being sacked.

4.9 Multiple regression model

4.9.1. Independent variables of the model

Four factors were used to develop the model with regard to the study objective. These variable include;

X_1 – Compensation

X_2 – Labour market

X_3 – Leadership

And

X₄ – Organizational culture

These four independent variables are determined each by a set of statements measured on a likert scale over by different respondents who have different working duration.

This done by combining the positive score (strongly agree + agree) for each of the four variables' statements. Duration of stay in the firm is an intervening factor. This duration of stay was grouped into three categories namely; 1 year and below, 2 to 5 years and 6 years and above.

Computation of the scores gave results as shown in table 4.9.1 below.

Table 4.9.1: Independent variables scores

Duration of stay	X ₁	X ₂	X ₃	X ₄	Y
1 year and below	31	28	18	30	32
2 to 5 years	21	18	19	17	25
6 years and above	5	8	4	7	12

The dependent variable Y which is turnover can be predicted by computing a regression equation involving these four independent variables. Values for Y are computed from data on turnover.

Model Summary

Model	R	R Squared	Adjusted R Square	Std. Error of the Estimate
1	1.000 ^a	1.000	.	.

a. Predictors: (Constant), x4, x3

This means R squared is accounting for the total variation (100%)

Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	x4, x3 ^b	.	Enter

a. Dependent Variable: y

b. Tolerance = .000 limits reached.

Two variables are found not to be significantly determinant in a multiple way in any variation while the other two are in entire variability. Variables compensation and labor market do not control turnover a lot compared to leadership style and organizational culture

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	6.039	.000
	x3	.483	.000
	x4	.576	.000

Hence the model equation should be

$$Y = 6.039 + X_1 + X_2 + 0.483X_3 + 0.576X_4$$

Interpretation of this model;

The constant of regression model is 6.039, coefficient of compensation is 1, coefficient of labour is 1, coefficient of leadership style is 0.483 and coefficient of organizational culture is 0.576.

This means an increase of one unit score in leadership style and one unit score in organizational score results to an improvement in turnover at 0.483 and 0.576 respectively.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary

The study established that most workers hail from Kitui County (78.6%). This is in tandem with natural expectation since all sampled hotels are located in Kitui town. Also most respondents (workers) come from Kitui Central district where all the sampled firms are located.

Gender of workers was balance with males (48.6%) and females (51.4%). This reflects a normal population. Most of workers were aged in the range 25 to 30 years (38.6%). The respondents comprised of most married (48.6%) and single (41.4%). Most of workers had attained at least O-level education (48.6%) and primary level (31.4%). This means they can be trained on any operational technology in the hospitality industry.

The assertions compensation, labour markets, leadership style and organizational culture were investigated. Each of these variables was investigated using three positive statements and the following findings arrived at; for labour markets, workers agreed (85.7%) that prior training was not required, workers also agreed (75.7%) that workers believe they can easily acquire another job upon leaving the current job and 68.6% of workers knows their exists many vacancies outside their current job. This therefore indicates that labour market has determined the employees' tendency to quit their jobs in the hospitality industry.

For compensation, workers agreed (84.3%) that rewards and compensation were not in tandem with job done, 62.8% also agreed that reward and compensation in their current firm were worse compared to other firms and 94.3% of workers agreed that given opportunity they can look for a

better job elsewhere. This indicates that compensation has, to a large extent, led to employees' change of employers in the hospitality industry.

Statements for leadership style were analysed and following results found. Workers agreed (65.8%) that leadership in their firm was worse than their previous firm, 71.4% agreed that leadership was emphasizing on result than humanity and 69.9% agreed that individual efforts were not recognized but mistakes were. It is therefore true to say that the type of leadership determines whether employees leave or stay in the hospitality industry.

Statements on organizational culture were analysed and the following results achieved; 88.5% of workers agreed that it is the culture of employee to leave in their current firm, 80% agreed that it was hard to adopt the climate of their current firm and 61.4% agreed that individual involvement in the firm was minimal. It can therefore be concluded that organizational culture is a determinant of employee turnover in the hospitality industry.

Most of workers were found to have no training, 75.7% of all workers had no training. This could also be accounting for the high turnover since it appears like negligence of hospitality industry to echo on its importance in anticipation of growing human asset. Most of these workers had acquired their jobs through job search mechanism.

The study found that 48.6% had moderate satisfaction thus 78.6% of the workers would opt to change their current jobs. Reason being for better pay 55 (78.6%). Also out of 55 workers wishing to change their current job still 47 of them would like to change their industry.

Most employees were not in their first job (54.3%), only 45.7% of workers were in their first job. Some workers had served in up to 6 firms before. This rate of movement from one firm to the

other can be attributed to the high turnover rate. Many workers have been moving from one firm to the other in search of better pay.

Majority of workers, who had worked in other firms earlier, had worked in the same industry. 76.3% of the workers indicated to have been working in hospitality industry earlier before their current job. They cited poor payments 29 (76.3%) as the major reason for the movement. This indicates a high mobility within the hospitality industry.

Workers ranked compensation moderate (40%), few workers ranked compensation good (20%). A very small percentage (25.7%) of the workers are satisfied with their current remuneration. However, lack of better jobs motivates the workers to continue working unsatisfied. Other workers indicated their continued working in unsatisfied firm could also be because they have dependants whom they must take care of.

Although compensation is ranked low, in comparison to previous firms 73.7% of workers rated it better in their current firm. Leadership also is rated better by 60.5% in relation to previous firm as well. Beginners in the job suggested that leadership was good. 52.9% said the leadership in their firms was autocratic, 35.7% of workers said it was democratic and 11.4% said it was laissez faire. This shows the natural tendency for rational humans to look for greener pastures since a great number indicated a better current work environment as compared to their earlier workplace.

Turnover rate was found to be within 1 to 10 members of staff, this was mentioned by 67.1% of the entire sample size. 71.4% do leave due to bad pay, although a small percentage does leave due to poor working conditions. Same reason can also make more employees to leave. It was also found that similar number of employees has joined the firm. This means staff dynamics are very high in the hospitality industry.

5.2. Conclusion

In relation to objective one, compensation to workers through offering good remunerations, incentives and wages creates motivation to workers and if not achieved, workers will opt to search for a better payment. The study found out that high turnover was being caused by low payments offered by the firms in the hospitality industry to their workers.

In relation to objective two, workers who are not trained may not have a reason to stick in their current firm. This necessitated their frequent movements in search of satisfactory firms where they would receive training in their jobs. Lack of trainings was therefore found to cause high turnover among the workers in the hospitality industry.

In relation to objective three, most workers found their current firms' leadership autocratic, worse than any other firm in the market and not recognizing individual efforts but mistakes. Such a leadership style will make staffs keep on looking for other firms where they expect better leadership. The study found that bad leadership is a cause of high turnover in the industry.

In relation to objective four, organizational culture that does not involve individuals was prevailing in most of workers' firms. In reaction to this staff feels not satisfied hence keep on looking for better firms. This was observed as an issue bedeviling the hospitality industry.

5.3. Recommendation

Firms in hospitality industry need to adequately compensate their employees for their services, improve in trainings offered to employee to improve their quality in performance and confidence, practice a good leadership style that recognizes the staffs for their services and operate in an healthy organizational culture where individuals are adequately involved to grow them career-wise.

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APPENDICES

Appendix 1: Questionnaire for lower level employees

I am Faraday Kyule, a student of Kenyatta University. I am doing a study on the determinants of employee turnover in the hospitality industry in Kenya. Thank you for accepting to participate in this exercise by filling in this questionnaire. All the information provided here will be treated with utmost confidentiality and will only be used for the purpose of the study. Thanks in advance,

Faraday.

INSTRUCTIONS:

The questionnaire will guide you on the information required from you. You are supposed to tick (✓) or give your opinion as appropriate.

Section A: General information

1. County and district of birth: county _____ district _____

2. Sex: Male ()

Female ()

3. Age bracket: 18-24 years ()

25-30 years ()

31-36 years ()

37-45 years ()

46-55 years ()

56 years and above ()

4. What is your marital status?:

Single ()

Married ()

Divorced ()

Separated ()

Widowed ()

5. What is your highest level of education?:

None ()

Primary level()

Secondary/O-level ()

A-level ()

Undergraduate level ()

Postgraduate level ()

Section B: Labour Market

Likert model

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Prior training is not required in this job.					
I know if I leave this job I will get another one soon.					
Vacancies in this industry are more than people seeking them.					

6. Have you been trained for this job?

Yes ()

No ()

7. If yes, to what level?

Certificate ()

Diploma ()

Higher diploma ()

Degree ()

8. If no in (7) above, how did you get this job? _____

9. How can you rank your job in terms of satisfaction?: Highly satisfied ()

Moderately satisfied ()

Not satisfied ()

10. Given a chance, would you consider changing your job? Yes ()

No()

11. Give reason(s) for your answer_____

12. If yes in (11) above, would you consider changing the industry? Yes ()

No ()

13. Give reason(s) for your answer_____

14. Is this your first job?

Yes ()

No ()

15. If no in (14) above, how many other jobs have you had? _____

16. Was/Were the job(s) in the same industry? Yes ()

No ()

17. If yes in (16) above, why did you consider changing the job? _____

18. How long have you been working here? _____

Section C: Reward and Compensation

Likert model

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Reward and compensation is not in tandem with job done					
Reward and compensation is worse than in other firms					
Given an opportunity, I can look for greener pastures.					

19. How would you rank reward and compensation in job? Very good ()

Good ()

Moderate ()

Bad ()

Very bad ()

20. Do you view the remuneration in this job satisfying? Yes ()

No ()

21. If no in (20) above, what makes you to keep working? _____

22. If this is not your first job, how can you rank reward and compensation in the current job?

Better ()

Same ()

Worse ()

Section D: Leadership/Managerial style

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Leadership here is worse than in any other firm I have ever worked					
Leadership here emphasizes on results than humanity					
Managers here do not recognize individual effort but mistakes					

23. How would you rank the management of your current job vis a vis your former job?

Better ()

Same ()

Worse ()

24. If this is your first job, how do you feel about the management in your current job? _____

25. What in your view is the management style employed in your company?

Autocratic ()

Democratic ()

Laissez faire ()

26. How often do workers in the organization participate in decision making?

Very often ()

Often ()

Rarely ()

27. How would you rank your superiors?

Very friendly

Friendly ()

Average ()

Unfriendly ()

Very unfriendly ()

Hostile ()

Section E: Organisational Culture

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
It is in the culture of this firm for employees to leave					
It is hard to adapt to the work climate of this organization					
Individual involvement in this organization is minimal					

28. How many workers have left this organization since you came here? _____

29. Why do you think they left? _____

30. Do you think the same reason can also affect you?

Yes ()

No ()

31. How many new workers have joined your organization? _____

32. Would you consider it a habit for workers to leave your current organization?

Yes ()

No ()

Thank you for giving your invaluable information. It will go a long way in making this study a success.

Appendix 2: Interview schedule for General/ Human Resource Managers

1. How long have you been working in this firm?
2. Will you kindly give me a brief history of this firm?
3. How often do you involve employees in decision making?
4. What level of delegation of duties is practiced here?
5. How competitive is the firm's remuneration?
6. During your stay here, how many employees have left the firm?
7. How many of these employees have left the firm willingly?
8. How many have left the firm under sacking?
9. How many recruitments have been carried in this firm since you came?
10. Had the recruits been in any other job in the same industry?
11. What in your opinion are the factors contributing to this turnover of employees?
12. How has turnover affected performance in your firm?

Appendix 3: Time schedule

Activity	Time in weeks							
	1-4	5-8	9-12	13-16	17-20	21-24	25-28	29-32
Pilot testing								
Data collection								
Data editing								
Data coding								
Data entry								
Data analysis								
Report writing								
Submission								

Appendix 4: Budget

No.	Item	Description	Estimated cost (Ksh)
1	Stationery	<ul style="list-style-type: none"> • 10 reams of photocopy papers @ Ksh 500 • A dozen of blank CDs @ Ksh 100 • Writing materials • A 1 GB flash disc @ Ksh1,000 	5,000 1,200 1,000 1,000
2	Travel and Accommodation	<ul style="list-style-type: none"> • Travelling expenses • Accommodation 	10,000 10,000
3	Services	<ul style="list-style-type: none"> • Secretarial, photocopying, printing, binding etc 	10,000
4	Miscellaneous		4,000
5	Total		42,200