

**ASSESSMENT OF THE LABOUR TURNOVER AND WASTAGE
LEVELS IN THREE TO FIVE STAR-RATED HOTELS IN NAIROBI,
KENYA**

BY

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DECLARATION

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

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DEDICATION

To my lovely wife and children who believe in God's blessing in everything we endeavor to achieve in this world.

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ABBREVIATIONS AND ACRONYMS

CIPD	Chartered Institute of Personnel Development
EAS.....	Employee Attitude Survey
FKE	Federation of Kenya Employers
GDP.....	Gross Domestic Product
HRP	Human Resource Planner
HRM	Human Resource Management
ILO	International Labor Organization
NGT.....	Norminal Group Technique
OECD	Organization for Economic Cooperation and Development
SHRM	Society of Human Resource Managers
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council

ABSTRACT

Labour turnover represents direct cost to organizations. It affects organizational growth, profitability and customer satisfaction. The purpose of this study was therefore to establish internal and external causes labour turnover levels, determine labour turnover levels as well as to determine labour wastage levels in three and five star-rated hotels in Nairobi city. Nairobi city had 7 hotels classified as three star and 9 hotels classified as five star- hotels. The study adopted descriptive survey research design. Simple random sampling method was used to pick respondents for this study. Subjects for this study included 16 Human resource managers and 493 non-management employees working on permanent basis in the selected hotels. This study therefore involved a total of 133 permanently employed staff working in these star-rated hotels. Data from the respondents were collected using both structured and unstructured questionnaires. Descriptive statistical tools such as means, standard deviations ratios, percentiles and correlations were used to present the study findings. The results indicated 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, promotion and the hotel star-rate were key factors in determining the labour turnover. The results indicated that labour wastage due to job transfers and resignations within 12 months had a mean score of 5.0, slightly below the industry's mean score of 7.0. 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 strong positive Pearson product moment correlations among the employment duration, number of years worked, experience and job change which ranged from $-.652$, $.867$ where $p < .01$. The study therefore recommended that, the management in hotels to initiate employee retention programmes as human capital is the most valuable asset of all organizations. Additionally, the management to review the employees' welfare conditions such as giving better salaries, introducing flexible working hours to hotel employees in order to balance individual work and personal life; among other incentives. The study further recommended improvement of the working conditions in the hotel sector in order to boost employees' morale as these are the ingredients to employees' commitment to the organization. The study further suggested that a similar study needs to be carried out at a national level to determine labour wastage in all star-rated hotels in Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background information

According to Kusluvan (2003), one of the major benefits of the development of the hospitality industry in any economy is the provision of employment. The industry consists of a number of diverse sectors including travel agencies, tour operators, transportation, accommodation, food and beverage, and attractions which require a variety of occupational skills. The World Travel and Tourism Council (2006) indicates that, employment in Tourism and Hospitality was estimated to be over 230 million jobs and over ten percent of the gross domestic product worldwide by 2007. This represents a ratio of 1 in every 11.2 jobs. This figure was estimated to reach 260, 417, 000 jobs or nine percent of total employment in the world by 2011. In Kenya, the hospitality sector alone catered for over 509,000 jobs in 2007, a ten percent of total employment, or 1 in every 10.7 jobs. By 2017, it is estimated that, there will be 628 000 jobs (WTTC, 2006).

Despite such impressive figures, this industry has been faced with the challenge of high labour turnover for a long period (Wood, 1995). According to (Wood, 1995), the global labor turnover ranges from 70 percent to 100 per cent, with some establishments having turnover rates as high as 300 per cent of the total employment. In his study, Davie (1999) found that turnover in 20 North American hotels averaged 60 percent of total employment, with the highest turnover in the food and beverage, front office and housekeeping departments. In an earlier study, Woods and Macaulay (1991) examined 6 restaurant chains and found that, labour turnover averaged 96 percent of the total

employment while the six hotels they investigated showed labour turnover rates greater than 10 percent.

According to Riley (1996), about 64 percent of jobs in tourism and hospitality industry are either semi skilled or unskilled. This comprises of about 6 percent in managerial, 8 percent in supervisory while 22 percent with craft are skilled. Riley (1996), therefore concludes that, the low skills profile of jobs results to low status, low pay and poor working conditions in tourism and hospitality industry. Contrary to this, managers in the hospitality industry value practical and operational skills as well as on-job training, which may be acquired easily within the workplace (ILO, 2001). The ILO (2001) report concludes that, a formal qualification from new entrants is not highly regarded within the hospitality industry.

A large proportion of tourism and hospitality employees are workers with other formal educational backgrounds; other than tourism and hospitality, or students who work on part time basis as well as contingent workers (Hjalager and Anderson, 2001). Guerrier (1999) warns that, the assumptions of tourism and hospitality jobs being unskilled or semi skilled may be attributable to the circular logic used rather than empirical measurement of the skills requirement of tourism and hospitality jobs. Tourism and hospitality industry is also known to be labour intensive (Bull, 1995). Bull (1995) further indicates that, labor intensity in the industry is attributed to the traditional importance and irreplaceable role of personal service. Labor intensity also varies according to the type of

stage of tourism development, infrastructural development level and type of establishment (Erbes, 1973; Kusluvan, 2003).

Taylor, (1998) suggests that customers yearn for that personal touch and humane encounters with the employees during service. According to Jim Hartigan, Senior Vice President for Customer Quality and Performance for Hilton Hotels Corporation (2003), an architecturally perfect hotel building does not form part of fond memories to a guest as it does the direct experience he/she had involving a hotel employee. He further puts it aptly that, certain hotel equipment and other facilities can be copied by the competitor, but the genuine personal service cannot be replicated. Therefore, it is important to understand and control labour turnover at all levels. This means identifying the stages at which labour turnover is occurring. This may be during the early induction period, the subsequent setting-in period or after employees have become settled. With such information, management may then be in a position to consider changes and improvements to their personnel practices in order to reduce labour turnover causes. The provision of a high quality working environment with a range of employee-valued benefits may also increase satisfaction levels and hence discourage turnover behaviors as inspired to be achieved by this study.

1.2 Statement of the problem

Turnover presents a direct cost to the entire organization in terms of training new employees, replacement and separation for the departing employee. It further results in low levels of efficiency and poor customer satisfaction. Management however sees such

turnover as a way of shedding off staff easily. They support this view by contending that, labour turnover not only enables a manager to adjust labour levels to suit demand but also allows the adoption of a de-skilling strategy, which in turn suppresses pay rates (Reigel, 1995).

In Kenya, little research has been conducted regarding labour turnover in the hospitality industry. A research on labour turnover in hospitality industry in Kenya (ILO, 2001) indicated similar trends of labour turnover with lodges on the lead with 60% in 2000. It was found that, employees were more willing to move to town hotels where social amenities are in plenty than in lodges where employees are secluded to their camps. This impacted negatively in business sustainability due to high costs of training new employees, replacement and separation for the departing employees as well as affecting customer satisfaction.

However, this report did not cite the actual turnover levels, wastage levels that are directly associated with costs of doing businesses or causes of labour turnover in star-rated hotels. A case study by Serena Hotels Kenya (2007), on *Getting Results, the Wellness Program of Serena Hotels*, cited the HIV/Aids as the major cause of absenteeism and employees resignation. Moreover, only few service-based organizations conducted the exit interviews or the employee attitude surveys to determine the actual causes of these labour turnovers. In this respect, this study intended to assess labour turnover levels, labour wastage levels and the factors that influence labour turnover in three and five star-rated hotels in Nairobi, Kenya.

1.3 Purpose of the study

The purpose of this study was to assess the factors that influence the labour turnover in three and five star-rated hotels in Nairobi, Kenya.

1.4 Objectives of the research

The following specific objectives of this study were identified

- i. To establish internal causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya.
- ii. To establish external causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya.
- iii To determine labour turnover levels in three and five star- rated hotels in Nairobi, Kenya.
- iv To determine labour wastage levels in three and five star-rated hotels in Nairobi, Kenya.

1.5 Significance of the study

In Kenya, little research has been done regarding labour turnover in the hospitality industry. A research on labour turnover in hospitality industry in Kenya (ILO 2001) indicated that, lodges were on the lead with 60% in the year 2000. It was found that, employees were more willing to move to town hotels where social amenities are in plenty than in lodges where employees are secluded to their camps. However, the report did not cite the actual levels, wastage or causes of labour turnover in star-rated hotels. This study aimed at establishing labour turnover levels, wastage and causes of labour turnover in three and five star-rated hotels in Nairobi which have never been determined. Therefore it will shed more light in this area.

The findings from this study may be used by the human resource managers to design and implement suitable retention programs for their employees. Old and newly employed staff may also learn the dynamics and other challenges of working in hospitality and tourism industry.

Finally, the study adds knowledge as well as providing baseline information to other researchers in this area of study.

1.6 Limitations of the study

The limitations of this study were that, the researcher had no control over employee's level of training and performance appraisal which has direct impact on the way they respond to the questionnaires. Similarly, the researcher did not have control over the employees' social economic status which influenced their responses to the questionnaire.

1.7 Delimitations of the study

The scope of the study covered the following areas.

- 1) The research only assessed the factors that influence labour turnover in three and five star-rated hotels in Nairobi city only. Nairobi is a metropolitan city with over 70% of the total three and five star-rated hotels found in Kenya. The three and five star-rated hotels were chosen because they possess employees from diverse background and therefore the population characteristics and work exposure would vary on responses given in this study.
- 2) The research was also confined into determining the labour wastage levels in three and five star-rated hotels in Nairobi city. This was due to the need of establishing the

reliability of the findings that can be replicated elsewhere. Varying levels of labour wastage could be existing between the two sets of hotel categories whose causes and explanations are different.

- 3) The causes of labour turnover were again restricted to three and five star-rated hotels in Nairobi city only. A comparison between city and coastal hotels on the causes of labour turnover may vary and therefore this study was confined to the three and five star-rated hotels in Nairobi.

1.8 Assumption of the study

This study was based on the assumptions that employees selected for the study provided true information about themselves. Further to this, the human resource office provided relevant information concerning the employees working in the sampled hotels.

1.9 Theoretical framework

This study was based on the employee decision process model adapted from Mobley (1977) modified as shown on Figure 1.1. The model (Mobley1977) represents a theoretical process of 10- stages that an employee goes through when either quitting or changing jobs.

According to Mobley (1977), an employee begins to evaluate an existing job and the environment in which the work is done. It is believed that, work environment plays a pivotal role on an employee's decision to continue working in an organization or to quit. Job dissatisfaction follows in deciding to quit. The employee may however evaluate the utility of searching for the new job. The search for an alternative job takes place and employee evaluates all the jobs that are available for him or her. Comparison is further

done with the present and the best alternative jobs that are found. A final decision is reached by either remaining in the current job or quitting as the last stage

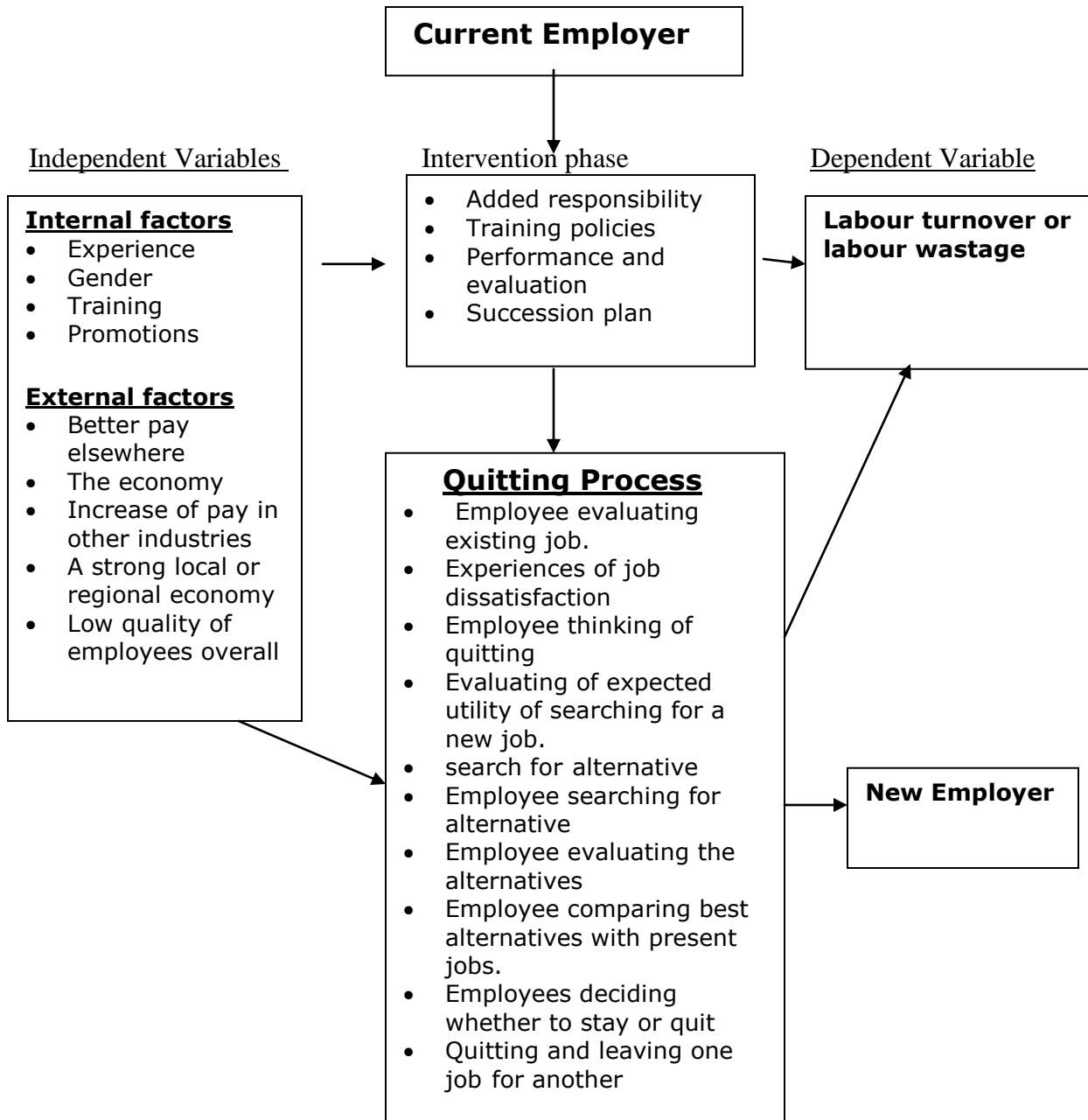


Figure 1.1 Employee decision making process model (Adapted for modification from Mobley 1977)

It is therefore argued that employees' age, gender, level of training/experience, duration in employment and hotel star-rate determines either to stay or move to another hotel or seek other forms of employments.

According to Mobley (1977), where employees have added responsibilities, training policies, performance and evaluation and succession plans, employees tend to work for many years. This creates the intervention phase through which employers can use in order to retain current employees. The model concludes that, for a resignation to occur, the individual employee is basically concerned with better opportunities elsewhere thus seeking to secure a new employment.

1.10 Operational definition of terms

Casual work: Employment in which payments are made to the person on daily basis (Price, 1977).

Five star-rating: A luxurious hotel, offering the highest degree of personal service, elegance and style abound and rooms are equipped with quality linens, Video Cassette Recorder (VCR), Compact Disc (CD) Stereo, Jacuzzi tub and in-room Video. There are multiple restaurants on site with extensive gourmet menus and room-service is also available 24 hours-seven days a week. A fitness centre, Valet parking and concierge service round out the experience.

Hospitality: Industrial activities which involve the host in providing foods and accommodations to a visitor or traveler or tourist (Bull, 1995).

Labour turnover: The number of people entering and leaving employment (Price, 1977).

Labour wastage: The rate or ratio of employees who leave an organization through resignation, retirement or death during specified periods of time.

Star-rating: Official classification of hotels within hospitality and tourism industry in Kenya according to World Tourism Organization (The Hotels and Restaurant Act Cap 494 of the Hotels and Restaurants Classification as shown on Appendix 4.)

Three-star-rating: Are hotels usually located near a major express way, business centre and or shopping area. These hotels offer nice, spacious rooms and decorative lobbies. On-site may be average in size but will offer breakfast, lunch and dinner. Valet and rooms services, small fitness centre and a pool are often available.

Turnover-rating: Statistical data analysis of people entering and leaving formal employment.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examines the definitions of labour turnover from various authors. It further reviews on how to determine labour turnover levels, wastage levels and causes of labour turnover in the hospitality and tourism industry across the world. Methods of determining or calculating each of the above phenomena are also discussed. It concludes by articulating the various challenges faced by hospitality and tourism industry in dealing with labour turnover.

2.2 Labour turnover challenges in the hospitality industry

Employee turnover is significant to organization, individuals and management. From the organizational perspective, employee turnover represents a significant direct cost in terms of recruiting, poor production practices and reduced standards as well as high replacement and training costs (Hiemstra, 1990). Subsequently, Fair (1992) suggests that, there are other costs associated with labour turnover which include separation costs (exit interviews and severance pay), recruitment costs (advertising and search fees), selection costs (interview and reference checking), hiring costs (induction and initial training), relocation expenses, uniforms and lost productivity costs associated with both the unfilled vacancy and the learning curve associated with the new employee. Indirect costs however are associated with decreased levels of employee motivation, absenteeism, tardiness leading to customer dissatisfaction and ultimately customer defection (Fair, 1992).

In his research on labour turnover, Price (1977) noted that, low turnover rates present special challenges. The first is to resist over investing in prevention programs. While this may seem like unnecessary advice, some organizations spend large amount of money developing new programs and projects as well as solving problems that do not necessarily exist.

Another challenge is to consider using leading indicators to spot turnover problems before they become serious issues. As mentioned earlier in section 2.4, intention to quit is an important leading indicator along with organizational commitment and job satisfaction data. These leading indicators can be crucial for early analysis and action before turnover develops into a serious problem. With such information, management may then be in a position to consider changes and improvements to their personnel practices in order to reduce labour turnover causes. The provision of a high quality working environment with a range of employee-valued benefits may also increase satisfaction levels and hence discourage turnover behaviors (Mobley, 1977).

A final challenge is the notion of complacency. While it is important to move to other critical issues in the organization, turnover should always be monitored. It is a leading indicator to ensure that retention is not becoming an issue. Complacency can cause serious problems in eroding the good progress that has been developed previously. Lastly, measuring and monitoring turnover is essential to bringing the appropriate attention to the issue and taking constructive action. Understanding the employment climate is fundamental to developing an understanding of retention. Having acceptable

targets, based on precise definitions of turnover that are meaning to the organization, help bring the process clearly into focus. These are all aimed at bring the proper resources and attention to this critical issue so that action is taken .The senior management team should moreover accepts the responsibility for managing retention.

2.3 Causes of labour turnover in hospitality industry

Companies today generally recognize the important contribution that their employees play in delivering the services. However, they also make every effort to drive down internal costs as part of the price commitment. Labour turnover is seen as one area of cost which can be measured and benchmarked. It is seen as a significant factor when measuring organizational performance, which management can influence (White, 1995). Low turnover is seen as an asset in the competitive war. High turnover is seen as a problem to be managed (Bannister and Griffeth, 1986; Glebbeek and Bax, 2004). According to Hinkin and Tracey (2000) high employees' turnover rates in the hotel industry are not country specific; this is a worldwide epidemic. Fortino and Ninemeier, (1996), indicate that the United States of America has a national annual turnover rates that range from 154 percent to 240 percent. This compared unfavorably with the 12 percent annual turnover rates for all businesses in USA by 2000 as reported by Bureau of Labor Statistics (USA). Subsequently, General Managers in USA were found to have been with their current employers for approximately eight years (Cornell HRA Quarterly, 1992).

According to Mobley (1977), an employee starts by an evaluation of an existing job and the environment in the work is being done. It is believed that work environment plays a pivotal role on an employee's decision to continue working in an organization or to quit. Job dissatisfaction follows in deciding to quit. The employee may however evaluate the utility of searching for the new job. The search for an alternative job takes place and employee evaluates all the jobs that are available for him or her. Comparison is further done with the present and the best alternative jobs that are found. A final decision is reached by either remaining in the current job or quitting as the last stage. However, there exist the independent variables upon which jobs are being evaluated. These include the pay package, company policies, rules and regulations, the Herzberg hygiene factors, work monotony and burnouts.

2.4 Determining causes of labour turnover

In determining the causes of turnover, four basic techniques can be used to illustrate the actual causes of turnover. According to Phillips and Connell (2003), the first is the analysis of individual job group and tenure within job group. Job Analysis is used to show the *relatedness* of employment procedures used by the employer. The procedures supported by job analysis include, Training personnel, Selection, Job evaluation and Performance appraisal. Job analysis may be conducted by the employer's Human resources department or by a trained Job analyst/Consultant. Basically, there are five steps to conduct a Job analysis. These include, identifying the job(s) to be analyzed, determining the procedures to be used (methods) in collecting job data, implementing the job analysis methods, reviewing the data collected through Job analysis, summarizing

and documenting the data collected. This provides insight into where turnover is occurring, the magnitude of the problem and some indication of the cause. Many of the labour turnovers occur in the early stages of employment between the 6-18th month categories in employment.

Secondly exit interviews from the departing employees help to determine the specific reasons for departure. In the most straightforward terms, an exit interview is simply a means of determining the reasons why a departing employee has decided to leave an organization. The value of exit surveys are that they provide an opportunity to coax back a good employee who may be reluctant to leave but is being driven by financial or career reasons. They are also extensive and invaluable information can be collected by the astute human resource practitioner for subsequent programs. It is also a way of gathering qualitative data to be used in conjunction with quantitative information, for future and more effective human resource planning and management. However, exit interviews can be costly and time consuming. As with most exit data, there is no accuracy as the departing employees may be biased when reporting the reason for leaving.

The third technique applied by the human resource managers is the Nominal Group Technique (NGT) to determine more precisely the actual causes of turnover. This involves focus group drawn from the entire organization. The NGT is a decision making method for use among groups of many sizes, who want to make their decision quickly, as by a vote, but want everyone's opinions taken into account (as opposed to traditional voting, where only the largest group is considered). The method of tallying is the difference. First, every member of the group gives their view of the solution, with a short

explanation. Then, duplicated solutions are eliminated from the list of all solutions, and the members proceed to rank the solutions into 1st, 2nd, 3rd, 4th, and so on. The numbers each solution receives are added together, and the solution with the lowest or the most favoured total ranking is selected as the final decision. There are variations on how this technique is used. For example, it can identify strengths versus areas in need of development, rather than be used as a decision-making voting alternative. Also, options do not always have to be ranked, but may be evaluated more subjectively.

One major advantage of NGT is that it avoids two problems caused by group interaction. First, some members are reluctant to suggest ideas because they are concerned about being criticized. Second, some members are reluctant to create conflict in groups. (Many people want to maintain a pleasant climate) NGT overcomes these problems. NGT has the clear advantage of minimizing differences and ensuring relatively equal participation. It may also, in many cases be a time-saving technique. Other advantages include producing a large number of ideas and providing a sense of closure that is often not found in less-structured group methods.

Major disadvantage of NGT is that the method lacks flexibility by only being able to deal with one problem at a time. Also, there must be a certain amount of conformity on the part of the members involved in NGT. Everyone must feel comfortable with the amount of structure involved. Another disadvantage is the amount of time needed to prepare for the activity. There is no spontaneity involved with this method. Facilities must be arranged and carefully planned. Opinions may not converge in the voting process and

therefore the cross-fertilization of ideas may be constrained or the process may appear to be too mechanical.

The fourth technique is the Employee Attitude Surveys (EAS). These are qualitative method of gathering information about employee levels of satisfaction while in their jobs. Such surveys are potentially more useful than exit interviews or the nominal group technique as they can provide information on factors such as poor job design, inadequate supervision and communication. By identifying and rectifying problem areas, the tide of future resignations may be effectively stemmed. Substantial benefits can accrue from well-conducted EAS, including a large number of usable development suggestions, and evidence for changes in human resource policy and practice. And in era of increasing employee consultation and participation on industrial relations issues, such surveys can aid employee commitment and enhance productivity.

While EAS have been reported to be quite widely used in United States organizations, few Australian organizations avail themselves of the opportunity to audit employee attitudes towards organizational issues such as communication, motivation, the quality of supervision, pay and benefits. This study will therefore apply the EAS technique as it provides an organization-wide employee' perceptions on the various issues of employment.

2.4.1 Internal causes of labour turnover

Internal labour turnover involves employees leaving their current position and taking new ones within the same organization (Kenya Bureau of Labour Statistics, 2009). This is also

referred to as the *Peter's Principle* and can be positive, such as to increase morale by the change of task and supervisors or negative, such as project or relational disruption of the work being done. The effects of internal turnover can be as important to monitor as its external counterpart. The survey concludes by noting that, internal turnover can be moderated and controlled by typical human resource mechanisms, such as an internal recruitment policy or formal succession planning. According to Wood and Macaulay (1998), employees' turnover is prevalent in the lodging industry.

The following are the internal causes of turnover.

The performance of the organization: An organization perceived to be in economic difficulty will raise the spectre of impending layoffs. Under such circumstances, workers will seek other employment.

The organizational culture: 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 such indices of job satisfaction as turnover intentions and turnover rate.

The characteristics of the job: Hospitality employees are confronted with continuous crises and a great deal of daily uncertainties (Brownell and Judi, 1998). Uncertainty creates high levels of job stress. They also experience jobs that are tightly controlled, routine and monotonous (Lashley, 2000). Their role as service providers however demands that they present an appropriate emotional response regardless of the circumstance. Wood and Macaulay (1991) define emotional labour as the display of expected emotions by service agents during service encounters. The two Authors further argue that, confirming to such expectations has significant psychological effects whose

end result is employees leaving one job for another. According to Taylor (2002), some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenge, danger, perceived importance, and capacity to elicit a sense of accomplishment. A job's status is also important, as are many other factors.

Unrealistic expectations: Another factor is the unrealistic expectations and general lack of knowledge that many job applicants has about the job at the time that they receive an offer. When these unrealistic expectations are not realized, the worker becomes disillusioned and decides to quit.

Demographics: In their study on causes of labour turnover, Mitra et al. (1992) demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers. This study had an important role in explaining the functioning of labour markets, shedding light on the process of matching workers to firms and on the nature of the employment relationship. Labour turnover patterns have important implications for wage determination, work organization, career prospects and the accumulation of firm-specific human capital according to the ILO (2001). The study also indicates the use lifestyle factors such as smoking or past employment history such as many job changes; as an explicit basis for screening applicants in order to verify such bio-data empirically.

The person: In addition to the factors listed above, there are also factors specific to individual that can influence turnover rates. These include both personal and trait-based factors. Personal factors include things such as changes in family situation, a desire to learn a new skill or trade, or an unsolicited job offer. In addition to these personal factors,

there are also trait-based or personality features that are associated with turnover as cited by Mobley (1977).

These traits are some of the same characteristics that predict job performance and counterproductive behaviours such as loafing, absenteeism, theft, substance abuse on the job, and sabotage of employer's equipment or production. These traits can be measured and used in employee screening to identify individuals showing lower probability of turnover.

2.4.2 External causes of labour turnover

According to Nankervis et al (1996), external factors exist outside the organization environment and are beyond its control. The external political, social and commercial environment can have a significant impact on the policies, practices, strategies and plans of human resource management. By analyzing the outside community and society, the proactive HR planner can assess likely current and future changes and determine possible impact on its workforce and organizational plans. Wood and Macaulay (1998) cite the following as the external causes of employee turnover.

The economy: One of the most common reasons given by employees leaving their current employment is the availability of higher paying jobs. In a vibrant economy, the availability of alternative jobs plays a role in turnover, but this tends to be overstated in exit interviews

Better pay elsewhere: Most employees feel that they are worth more than they are actually paid. There is a natural disparity between what people think they should be paid

and what organizations spend in compensation. They further argue that when the difference becomes too great and another opportunity occurs, turnover can result. Pay is defined as the wages, salary, or compensation given to an employee in exchange for services the employee performs for the organization. Gupta and Shaw (2001), argue pay as the most critical outcome of organizational membership for employees. The first and obvious solution to the need for pay is to compensate employees with the highest possible wages.

Increases of pay in other industries: According to Kusluvan (2003), one of the major causes of friction between the employers and their employees is a real or perceived lack of fairness in the distribution of wages. Kusluvan (2003) further indicates that, there are two extreme approaches to the determination of wages. At one extreme, there is a total transparency in which every employee can know what everyone else earns while on the other end, are employers who not only keep secret what they pay each employee but also make a condition of employment that salaries are not to be discussed between staff.

Arriving at a fair system of awarding wages and salaries is not easy and too often is a matter of expenditure, Kusluvan (2003). Subsequently, the pay systems have been used to address specific managerial problems or goals. Thus, it is important to recognize the relative importance of each job, and remove any potential causes of dissatisfaction. Kusluvan (2003) concludes by stating that, it is vital to adopt a methodical system of evaluating jobs so that wages and salaries are fairly distributed to all.

It is evident that, voluntary termination of employment is on the increase within the hospitality industry (Phillips and Connell, 2003). This arises when an employee has the

opportunity to take other employment that offers more attractive conditions. These researchers further revealed that because employees leaving voluntarily have not been dismissed by the employer, they are probably the employees that an employer would most like to retain. It is for the same reason that these employees should be interviewed to determine their reasons for leaving. The exit interview may reveal specific information regarding conditions of employment, competitors' conditions and the quality or otherwise of supervision, training and selection procedures.

A strong local or regional economy: Further in their study, Phillips and Connell (2003) propose that almost all industrialized nations and many emerging countries have experienced long economic expansions. As economies grow, job growth will continue with the economic expansions translating directly into new jobs which in turn create new opportunities for employees to leave current employment.

Low quality of employees overall: Low unemployment rates lead to increased turnover because more jobs are available (Bolch, 2001). He further argues that, whenever the actual unemployment rate falls to 5 percent level or lower, it creates serious problems for employers seeking to fill job vacancies. Compounding the situation is the short supply of workers with special skills such as health care hotels and other service based industries.

2.5 Determining labour turnover levels

The term "turnover" is defined by Price (1977), as the ratio of the number of employees who have left organization, divided by the average number of people in that organization during the period being considered. Each time a position is vacated in the organization, either voluntarily or involuntarily, a new employee must be hired and trained. This

replacement cycle is known as turnover (Wood, 1995). The term is also often utilized to measure relationships of employees in an organization as they leave, regardless of the reason (Taylor, 2002).

Labour turnover also relates to the movement of human resources within organizations with employees moving from job to job, through transfer, promotion or relocation. This parameter can therefore indicate the effectiveness of the human resource management programs and activities, as well as the overall health of an organization, in satisfaction, morale and productivity terms (Nankervis et al, 1996). According to Bolch (2001),

Labour Turnover is an important parameter which indicates the overall health of an industry or an establishment in terms of wages, industrial relations, working conditions and other welfare facilities provided to the workers. He defines labour turnover, as the movement of employees in and out of a business, measures the extent of change in the work force due to accession (total number of workers added to employment) and separation (severance of employment at the instance of workers or employers) during a particular period of time. The average labour turnover across all industry should range between 12 percent Taylor, 2002 and 16 percent while above these are regarded as high. (Taylor, 2002).

$$\text{Turnover} = \frac{\text{Number of (internal) job leavers in period}}{\text{Average number of employees}} \times 100$$

These turnovers may be assessed monthly, quarterly, half yearly or annually. Thus, if there were 25 separations during a month and the average number of employees was 500, the turnover rate would be:

$$25 / 500 \times 100 = 5 \%$$

According to Mitra, Jenkins and Gupta (1992) employee turnover is one of the aspects most studied in organizational research but very little is known regarding possible causes of turnover among professionals. Organizational stability is known to have a high degree of correlation with low turnover. Indications are that employees are more likely to stay when there is a predictable work environment (Zuber, 2001). The inverse of this relationship has also been found to be true. In organizations where there was a high level of inefficiency there was also a high level of staff turnover (Mitra *et al.*, 1992).

According to Lucas (1995) labour turnover was observed to be highest amongst the newly employed people. He observed that, the newly employed people seemed to have higher perception and expectations from new jobs, impatience and other personal ambitions which are rarely achieved with time. This resulted to the employee keep on changing jobs.

The International Labour Organization report (2001) further cited the high turnover rate amongst those on their first employment in the hospitality industry to range at 51.7 percent in the United States of America, 30 percent in Asia and 42 percent in the United Kingdom. High turnover rates among employees and General Managers have a significant negative impact on a hotel's performance and profitability (Hiemstra, 1990). In a study by Hiemstra, (1990) in Turkey, he observed that an average of fifty three Hotel General Managers change properties every three years. Similar trends were observed by Bull (1995), with Hotel Managers in Hong Kong.

According to Hospitality and Catering Training Company report (1994), labour turnover in the United States of America was reported to cost the industry £430 million annually. According to Lucas (1995), labour turnover in hotels is highest amongst the personnel of the lower grades. A report by International Labor Organization (2001) on labour turnover in the tourism and hospitality industry across the world by the year 2000, stood at 51.7 percent in the USA, 30 percent in Asia, and 42 percent in the United Kingdom among the lower level employees. Average labour turnover in the UK is over fifteen percent according to the Confederation of British Industry (2005) survey. Most firms see labour turnover in terms of a cost to the business that could be reduced by better human resource management, training or rewards.

In Kenya, the hotel industry falls short of the industries turnover average (Republic of Kenya, Economic Survey, 2004) and still leads in employees' turnover. Another research by the ILO (2001) on labour mobility in the Kenya's hotel industry also indicated a similar trend with lodges leading in employees turnovers. Therefore, it is important to understand and control labour turnover at all levels. This means identifying the stages at which labour turnover is occurring. This may be either during the early induction period, the subsequent setting-in period or after employees have become settled.

According to Bull (1995), tourism and hospitality industry is known to be labor intensive. Labor intensity however varies according to the type and stage of tourism and hospitality development, infrastructural development, level and type of establishment (Erbes, 1973; Kusluvan 2003). These authors also note that, the service delivery (service encounter)

and the late adoption of technology resulted to frequent labour turnover in the hospitality and tourism across the world.

A large proportion of jobs in tourism and hospitality are semi skilled or unskilled with about two thirds or 64 percent of jobs in the hotel, restaurant and catering sector being unskilled or semiskilled; 6 percent in managerial, 8 percent supervisory, and 22 percent craft or skilled (Riley, 1996). Hence, the quality of tourism and hospitality jobs has been questioned due to the low skills profile of the jobs. According to Guerrier (1999) the assumptions of tourism and hospitality jobs being unskilled or semi-skilled may be attributable to the circular logic used rather than empirical measurement of the skills content required of tourism and hospitality jobs. Guerrier (1999) concludes that, if a job has low status in society and it is done by low status people, it is assumed that it must require little skill.

According to Baum (1996) and Wood (1995), tourism and hospitality employment have resulted to hotel jobs being regarded as low status jobs with low payments and poor working conditions. This is further attributed to the traditional importance and irreplaceable role of personal service. Taylor (2002) suggests that customers yearn for that personal touch and humane encounters with the employees during service. These have resulted to the industry having higher amount of human capital invested than it is in other industries. Managers in the hospitality industry value practical and operational skills as well as on-job training, which may be acquired easily within the workplace (ILO, 2001) Therefore formal qualifications from new entrants is not highly regarded

within the hospitality industry. Contrary to the above observation, a large proportion of tourism and hospitality employees are workers with formal educational backgrounds while others are part time students and those regarded as contingent workers (Hjalager and Anderson, 2001).

The turnover levels of a section, a department or the entire organization can act as an indicator of employee morale and job satisfaction. The following formula adapted from Meier (1991) is used in calculating turnover costs in organizational set-ups.

Another method of calculating controllable turnover levels is to separate avoidable from unavoidable employees departures. Unavoidable separations are those occurring for reasons over which the organization has no control such as pregnancy, illness and death.

Controllable turnover rate is then calculated as:

$$\frac{\text{Number of separations} - \text{Unavoidable separations}}{\text{Average number of employees}} \times 100$$

This method yields what is probably the most significant measure of the effectiveness of the human resource program, since it can direct attention to that proportion of employee departure which management has the most opportunity to control, by means of better selection, training, supervision, improved working conditions, better wages and opportunities for advancement.

2.6 Determining labour wastage levels

There is considerable debate about the meaning of the terms; human resource wastage and turnover. According to Nankervis et al (1996), wastage generally refers to the rate, or

ratio, of the employees who leave an organization, through resignation, retirement or death, during specified periods.

$$\text{Wastage} = \frac{\text{Number of separations in a period}}{\text{Average number of employees}} \times 100$$

Recruitment by itself cannot overcome the problem of high turnover. However, it provides an understanding of labour markets, in the same way as in promoting products and services. Labour markets have a number of characteristics, including their size, technological complexity, elasticity, pay levels, geographical distribution and status.

Nankervis et al (1996) suggest that, the need to train or imparting of new skills and attitudes has become a daily aspect of each individual's working life. In some cases, this may merely be an upgrading process, but in others, it will require a complete change from one occupation to another. In some sectors of the hospitality industry, staff training is steadily becoming more effective. A number of hospitality organizations have initiated integrated employee benefit programs to assist in the management of labour turnover.

However, the generally high wastage still reduces the effectiveness of the training effort, although companies such as several of the branded fast food operators cope well with the challenge of high turnover. They do this by using extremely well-thought –out and well-supervised training programmes. Thus, Nankervis et al (1996) conclude that, where training is conducted, employees feel motivated and this reduces the labour turnover. Plans that accommodate only the employers' needs may result in dissatisfaction, frustration, low morale and high turnover. The senior management must therefore ensure

that adequate plans and resources exist to recruit, motivate, train, develop, obtain commitment from and retain its existing and future management.

2.7 Summary

From the review of the literature as well as other related studies that have been conducted on the area of labour turnover in the hospitality industry, there are distinct gaps that this study elicited and attempted to fill.

High labour turnover rates in the hotels industry are not country specific; it is a world wide phenomenon. According to Hiemstra (1990), Siu et al (1997) and Turker (1998), the USA, Hong Kong, Turkey and Canada have all reported high labour turnovers in their hotel industries. However, little studies had been done in Kenya regarding labour turnover in the hotel industry (ILO, 2001). The study conducted by the ILO (2001) only covered the lodges in Kenya.

Secondly, the study by ILO (2001) only attempted to find out movement trends between the lodges and city hotels. Therefore the causes, labour turnover levels and wastage levels were not elicited in that study. The current study therefore examined the causes, labour turnover levels and the wastage levels in star-rates hotels located in the Nairobi city.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter starts by discussing the research design, research variables, location of the study, target population, sampling procedure, instrumentation and pre-testing, data collection, procedure, data analysis and data presentation techniques that were used in the study and finally the logistical and ethical considerations that were also used.

3.2 Research design

The study used descriptive survey research design. It determines and reports the way things are in describing the possible behavior, attitude, values and characteristics of the respondents while using questionnaires as the appropriate tool. In this case, close ended and open ended questionnaires were used to provide a representative sample from the large population of non-management hotel employees in this study. Mugenda and Mugenda (2003) however define survey research design as an attempt to collect data from an identified population in order to establish the current status of the population in respect to one or more variables.

3.3 Research variables

The independent variables for this study were gender, age, level of education, training, duration in employment and hotel star-rate. As explained by Babbie and Mouton (2001), Mugenda and Mugenda (2003), these variables are totally free to vary by themselves and do not co-vary with other variables. The dependent variable used in this study was job

change measured in percentage over the rate at which the respondents moved from one job to another. Job change as the variable is presumed to be influenced by variations of conditions of the independent variables that present themselves in the work environment.

3.4 Location of the study

The study was conducted in three and five star-rated hotels in Nairobi city. This location was chosen due to the reason that, it is a large metropolitan city with over 70% of hotels which are classified in the Kenya Hotels and Restaurant Act Cap 494. Moreover, these hotels vary in terms of ownership, facilities and patronage. Therefore it was found to be a good representation of hotels under the study. Nairobi city had seven hotels which are classified as five star-hotels and nine hotels which are classified as three star-hotels, (Appendices 4). Majority of these hotels appeared to be either privately owned or managed through a chain of hotels.

3.5 Target population

The target population comprised Human resource managers and non-management employees who were on permanent employment in both set of hotels. The study considered only the permanent employees as they could provide informative details regarding their work. There were 16 Human resource managers working in these hotels and about 493 non-management employees permanently employed in these hotels. Hence the target population for this study was approximately 500. In order to provide accurate information regarding labour turnover and labour wastage levels, each hotel category provided equal numbers of the target populations.

3.6 Sample size and sampling procedure

The sample size consisted of all human resource managers and the non-management employees permanently employed in the three and five star-rated hotels. The list of hotels was extracted from the Kenya Gazette (Appendices 4) on the hotels and restaurants classifications 2003.

In order to pick the hotels for the study, simple random sampling procedure was used. This study used a thirty percent of each hotel cluster to have 2 hotels picked from the five-star classification and 3 hotels from the three star-hotel classification. According to Gay (1976), a sample of ten percent of the total population is adequate in large population while twenty percent above of the total population is commendable in small population.

In order to pick the respondents from the sampled hotels, simple random sampling procedure was further used. In line with the already chosen sampling procedure and working from the sampled, a sample size of 30%, (134 respondents) were picked for the study.

3.7 Instrumentation and pre-testing

This study adopted the use of both structured and unstructured questionnaires to gather in-depth information from the respondents. The justification of using the questionnaire was to allow the respondents adequate time to think about their responses, being focused and guided by the questions (Curvin and Slatter, 1996). Questionnaires were therefore developed from the literature review and organized on the basis of background information of the respondents and the research objectives. This was to ensure relevance

of the research problem. The questions were tailored to determine labour turnover levels, labour wastage levels as well as to establish causes of labour turnover in three and five star-rated hotels in Nairobi city.

In consultation with the supervisors, the researcher developed a questionnaire based on the research objectives and pre- testing conducted before the main research work commenced. The pre-test was conducted onto 10 respondents selected from the two sets of hotels but were not part of the final sample. This allowed any modification in the questionnaire before the same were distributed to the respondents. It also ensured the reliability and the validity of the instrument. Reliability measure the degree to which the research instrument yield consistent results or data after repeated trials while validity is the degree to which results obtained from the analysis of the data actually represent phenomenon under study (Mugenda and Mugenda, 2003).

3.8 Data collection procedure

Data for this study was collected using questionnaires. Prior to visiting the hotels under investigation, the researcher planned for the most appropriate timings of the respondents in order to fill the questionnaire. This ensured that, their work schedules were not affected. After administering the questionnaire, the respondents were given at least two days to respond. The researcher then visited the hotels under the study on several occasions for a follow-up on the research questionnaires and collecting them.

3.9 Data analysis and presentation

The study aimed at assessing the factors that influence labour turnover in three and five star-rated hotels in Nairobi city. It also aimed at determining the labour turnover levels as well as wastage levels in the hotels under the study. Variables of the study included gender, age, level of education/training, duration in employment and hotel star-rate. The study analysed how these variables influence change of jobs from one individual hotel to another.

Data obtained from the study were coded and entered into the computer. They were subsequently subjected to statistical analysis using the Statistical Package for Social Sciences (SPSS) version 17. The results of the analysis were presented in tables and charts. Descriptive statistics such as mean, percentages and standard deviation were used to summarize the raw data. Pearson product moment correlation was also used to show the relationship between gender, job change, age, education/training and experience in assessing labour turnover levels, labour wastage and causes of labour turnover.

3.10 Logical and ethical considerations

Logical and ethical considerations were adhered to during the research work. The researcher acquired official permit to conduct the research (Appendix 1) from the Ministry of Higher Education, through the Kenyatta University's office of Post-graduate Studies. In addition to this, a formal permission was sought from all the hotels either through the human resource manager or the owners of the hotels to access the employees. (Appendix 3). The researcher also assured the respondents' confidentiality over the information provided in the questionnaire as it was purposely for academic work only.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

The purpose of this study was to assess factors that influence labour turnover in three and five star-rated hotels in Nairobi city. This was achieved by calculating labour turnover levels, labour wastage levels and identifying causes of labour turnover. The study also attempted to establish if labour turnover correlated significantly with the variables in the study.

To achieve these goals, the following research objectives were formulated and used as a guide to the study.

- i. To establish internal causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya.
- ii. To establish external causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya.
- iii. To determine levels of labour turnover in three and five star-rated hotels in Nairobi, Kenya.
- iv. To determine labour wastage levels in three and five star-rated hotels in Nairobi, Kenya.

In order to guide the attainment of the above objectives, questionnaire was formulated, filled by the respondents, coded, analyzed and interpreted. Simple regression analysis was also used in finding whether each the independent variables predicted the dependent variable as explained earlier in section 3.3. Findings of the study were thereafter presented, interpreted and discussed as follows.

4.2 Presentation of findings of the study

In this section, the findings of the study were presented and analyzed in the subsequent subsections.

4.2.1 Demographic information of the respondents who participated in the study

This section describes the demographic characteristics of the respondents who took part in the study. These characteristics formed the independent variables (age, gender, level of education and level of training).

Table 4.1 Gender distribution of subjects in both sets of hotels under the study

	Gender		TOTAL
	Male	Female	
HR Managers	11	5	16
Non-management	81	43	134
Respondents in the 3-star-rated hotels	41	26	67
Respondents in the 5-star-rated hotels	45	22	67

The study established that, gender was a key factor in employees working in the hotels. The nature of hotels employment with working odd hours, working in shifts and the social stigma of working in the hotels curtailed many females in joining the industry (Taylor, 2002). As a result, hotels jobs favoured male employees than their female counterparts. Subsequently, the male managers in both set of hotels under the study were

twice the number of their female counterpart while a similar trend was observed with non-management employees.

4.2.2 Demographic characteristics of the respondents by age

The study sought to establish the age of respondents working in both the three star-rated and five star-rated hotels.

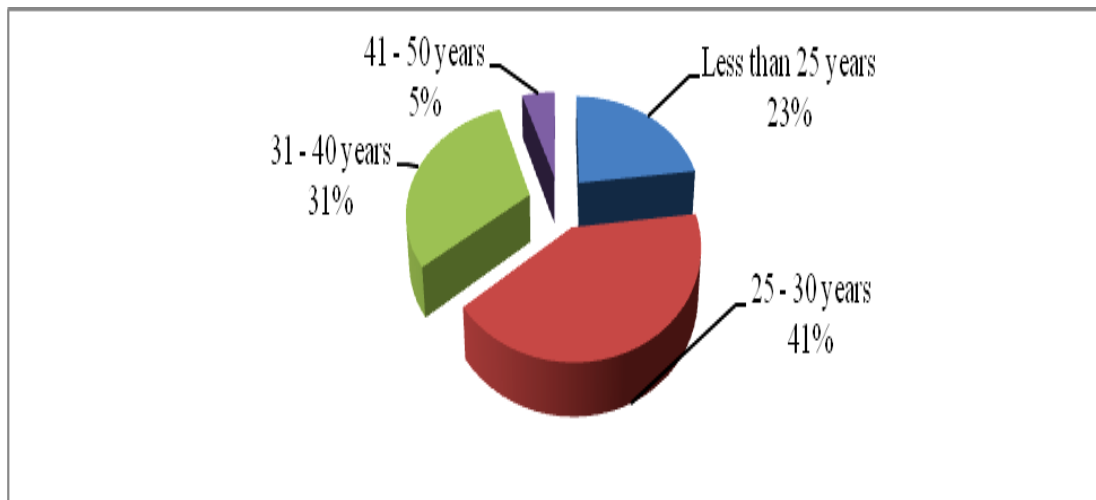


Figure 4.1 Demographic characteristics of the employees by age

Results in figure 4.1 above indicate that forty one percent of the respondents; both male and female were in the age bracket of 25 to 30 years followed by thirty one percent in the age bracket of between 31 – 40 years. The figure also shows that twenty three percent of the respondents were less than 25 years old and only five percent were over 40 years old. According to Lucas (1995) and the ILO report (2001), young people in their first employments had greater expectations from the current jobs and whenever such expectations are not realized within a period of less than six months, they resign to look for better opportunities.

4.2.3 Demographic characteristics of the respondents by level of education

Respondents were asked to indicate their levels of education. The findings of the study were presented in Figure 4.2 below.

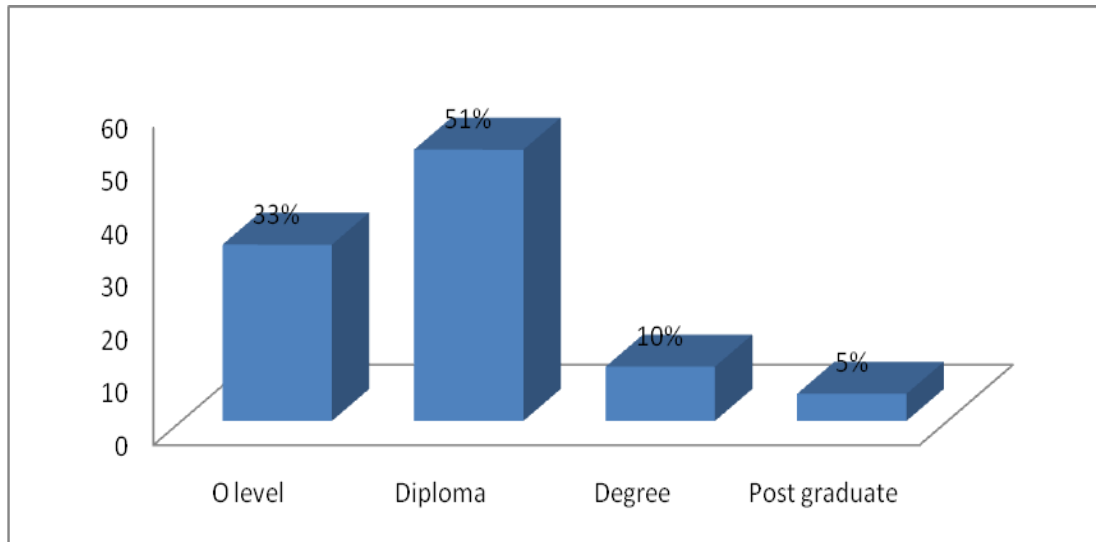


Figure 4.2 Demographic characteristics of the employees by level of education

The results in figure 4.2 show that, majority of the respondents (fifty one percent), had diploma certificate while thirty three percent studied up to secondary level (Kenya Certificate of Secondary Education) without any post secondary qualification. The study further established that, only ten percent were degrees holders and only five percent had post graduate qualifications. This confirmed the study by Riley (1996), that about two thirds or 64 percent of jobs in the hotels, restaurants and catering sector were either unskilled or semiskilled. According to Baum (1996) and Wood (1995), jobs in the hospitality industry are regarded as low status jobs with low payments and poor working conditions. He further attributes to the traditional importance and irreplaceable role of personal service rather than the formal training that the person has.

4.2.4 Duration of employment and labour turnover levels

The presentations made here below are based on the employment duration of the respondents.

4.2.4.1 Duration of employment and labour turnover levels in the three star-rated hotels

Respondents were asked to indicate the length of time they had been working in the three star-rated hotels. The results are as in the figure 4.3 below.

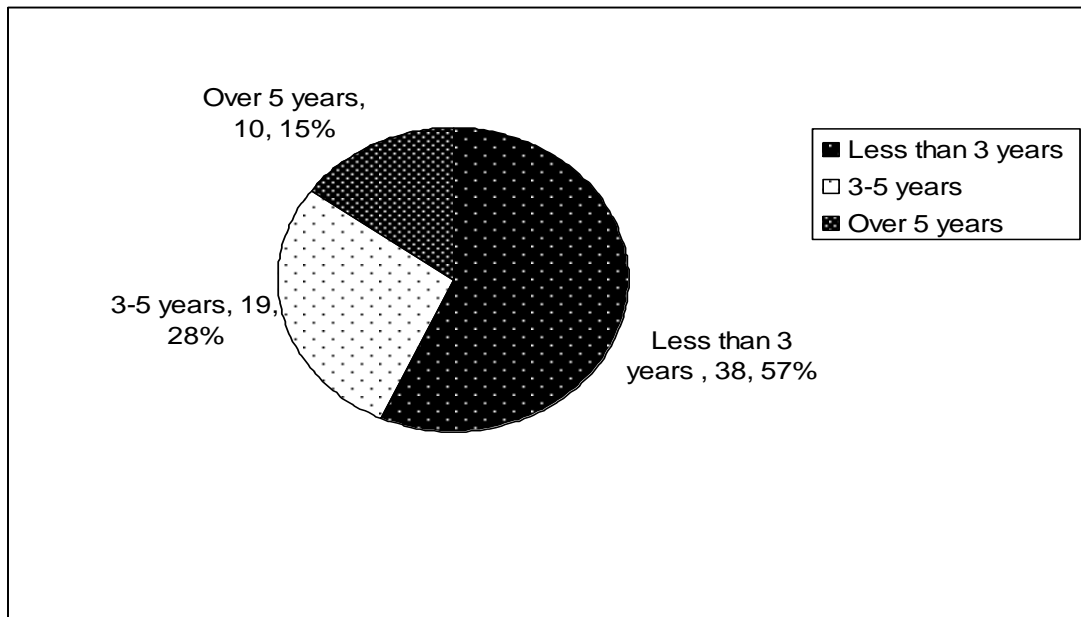


Figure 4.3 Duration of employment and turnover levels in the three star-rated hotels

The study results indicated that 38 or fifty seven percent of the respondents had been in the current employment for a period less than three years. The results also showed that nineteen or twenty eight percent of the respondents had been working in the same hotels for a period between three and five years and ten or fifteen percent had been in the three star-rated hotels for a period over five years. According to these results, majority of the

employees would not stay long up to the retirement age. This confirms the findings of Wood (1995) that, there is no career structure for most of hotels employees and that their jobs are perceived as dead end, making them less likely to attract long stay recruits. Meier (1991) also notes that, if a hotel employee stays in the job and moves into management levels, he/she can expect to experience more difficulties within the workplace. In the same context, Wood (1995) notes that, hospitality industry had been perceived as a 'pass through industry' where many of its workers had been passing through on their way to other careers.

The labour turnover percentage level in the three star-rated hotels under the study was further determined. The following method as recommended by Taylor (2002), was used to calculate the total percentage

$$\text{Labour turnover} = \frac{\text{Number of (internal) job leavers in period}}{\text{Average number of employees}} \times 100$$

Table 4.2 Determining labour turnover levels in three star-rated hotels

Total number permanent employees working in the 3-star-rated hotels	Total number of employee who separated from the employers in the last 12 months	The Determined labour turnover in the 3 star-rated hotels.
69 Employees	47 Employees	47/69X100= 68.11 percent

The above labour turnovers were analyzed for a period covering 12 months for ease of arriving at a conclusive figure. However, these may be assessed monthly, quarterly, half

yearly or annually. It was observed that, these set of hotels were four times higher than the average rates of labour turnover across the industries.

4.2.5 Duration of employment and labour turnover levels in the five star-rated hotels.

In this set of hotel under this study, respondents were also asked to indicate the length of time they had been working in the three star-rated hotels. The results were presented in the figure 4.4 below.

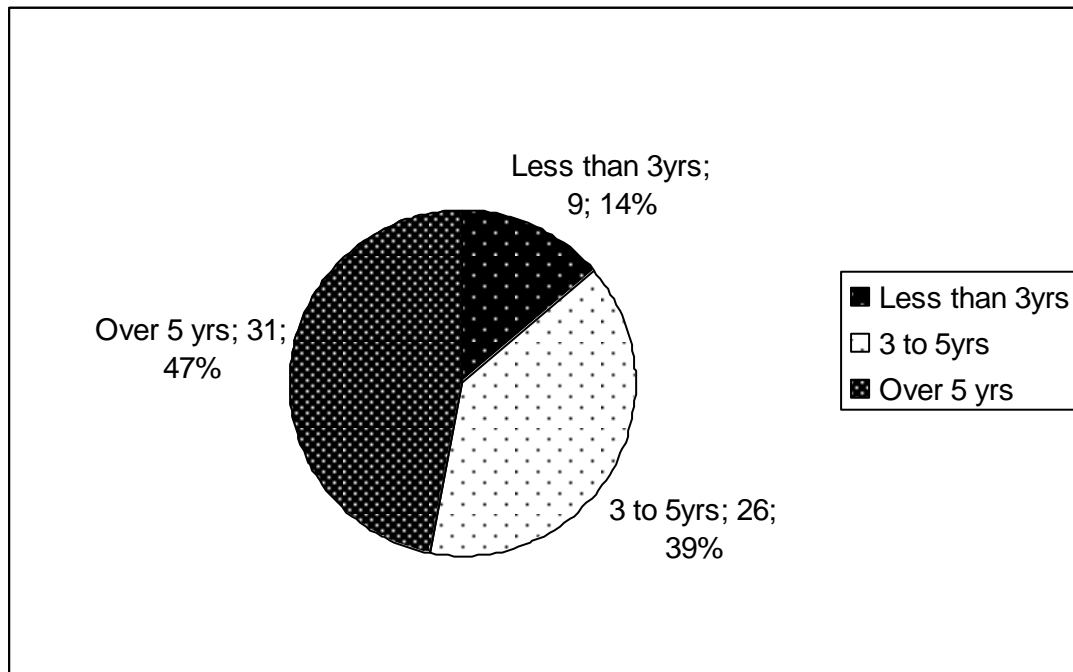


Figure 4.4 Duration of employment and turnover levels in the five star-rated hotels

From the figure 4.4 above, over thirty nine percent of employees had worked for 3-5 years and forty seven percent had worked for period above five years. According to these results, only fourteen percent had worked for period less than three years. It can be

observed from the results that, the five star-rated hotels compared to the three star-rated had more employees who had worked for longer periods of time. According to Mobley (1977), factors such as added responsibilities, staff training, performance and evaluation as well as the company's succession plans have been suggested to reduce labour mobility in the hospitality industry.

$$\text{Labour turnover} = \frac{\text{Number of (internal) job leavers in period}}{\text{Average number of employees}} \times 100$$

Table 4.2 Determining labour turnover levels in five star-rated hotels

Total number permanent employees working in the 5-star-rated hotels	Total number of employee who separated from the employers in the last 12 months	The Determined labour turnover in the 5 star-rated hotels.
73 Employees	6 Employees	6/73X100= 8.219 percent

The above labour turnovers were analyzed for a period covering 12 months for ease of arriving at a conclusive figure. However, these may be assessed monthly, quarterly, half yearly or annually. The result showed that, the labour turnover levels in the five star-rated hotels was slightly below the industries' averages.

4.3 Variable prediction and their association

In order to determine the strength of relationships between the various variables and labour turnover levels in the two sets of hotels, the Pearson correlation coefficient was calculated and result shown as below.

Table 4.2 Variables matrix and their correlation**Correlations**

		Work experience	Changed job	Age	Gender
Work experience	Pearson Correlation	1	-.652**	.867**	-.084
	Sig. (2-tailed)		.000	.000	.337
	N	134	134	134	134
Changed job	Pearson Correlation	-.652**	1	-.693**	-.065
	Sig. (2-tailed)	.000		.000	.457
	N	134	134	134	134
Age	Pearson Correlation	.867**	-.693**	1	-.107
	Sig. (2-tailed)	.000	.000		.219
	N	134	134	134	134
Gender	Pearson Correlation	-.084	-.065	-.107	1
	Sig. (2-tailed)	.337	.457	.219	
	N	134	134	134	134

** . Correlation is significant at the 0.01 level (2-tailed).

The study findings indicate a strong positive correlation; $r(133) = -.652, .867, p < .01$. A significant linear relation exists between age and changing of jobs. Younger people tended to change jobs within the first few years of their employment while gender was not a factor in deciding to change a job. The younger people from both genders were observed to change jobs compared to the older people with many years in one job. In this context, Wood (1995) noted that, young people intrinsically transient and therefore keen on looking for new jobs that would satisfy their ambitions.

4.4 Labour wastage levels in three and five star-rated hotels

Respondents were asked to indicate the number of job transfers, job promotions, job relocations, job resignations, retirements and deaths they had in their organization for the last one year period. The findings on their responses are discussed in the subsequent sections.

4.4.1 Labour wastage due to job transfers

Respondents were asked to indicate the number of job transfers they had taken place on themselves or to their colleagues while at work.

Table 4.3 Number of transfers

	N	Mean	Std. Deviation
Number of transfers for the period 0 -3 months	5	1.4	0.5
Number of transfers for the period 0 - 6 months	5	3.8	0.4
Number of transfers for the period 0 - 12 months	5	5.0	0.0

According to the results in Table 4.3 above, respondents indicated that there were no transfers between zero to three months (mean score 1.4) while in the period of six months, only two employees were transferred (mean score 3.8). The study also shows that within the period of 12 months, only four employees were transferred (mean score 5.0) which is slightly below the industry's mean score of 6.0. The findings concluded that, labour wastage due to jobs transfer both within and to other hotels' unit affect the quality of products and services in the hotel industry. According to Johnson (1981), the hospitality industry incurs significant replacement and recruitment costs which in turn affect profitability of an organization. Johnson (1981), therefore concludes that,

management fails to treat labour turnover as a priority problem regarding it as normal for the hospitality industry.

4.4.2 Labour wastage due to promotions

The study also sought to establish the number of promotions that had taken place in the preceding one year.

Table 4.4 Number of promotions

	N	Mean	Std. Deviation
Number of promotions for the periods 0 -3 months	5	1.2	0.4
Number of promotions for the periods 0 - 6 months	5	1.2	0.4
Number of promotions for the periods 0 - 12 months	5	1.6	0.5

According to the study results presented in the table 4.4 above, there was no promotion in the industry during the preceding one year (mean score 1.0 to 1.9). It is therefore noted that, job promotions were not a factor that resulted to labour wastage in the hotels under the study.

4.4.3 Labour wastage due job relocations

Respondents were asked to indicate whether they had ever been relocated to other hotel's unit or witnessed such relocations on their colleagues.

Table 4.5 Number of Relocations

	N	Mean	Std. Deviation
Number of relocations for the periods 0 -3 months	5	1	0
Number of relocations for the periods 0 - 6 months	5	1	0
Number of relocations for the periods 0 - 12 months	5	1.2	0.4

According to Table 4.5 above, there were no relocations that took place in the industry during the preceding year (mean score 1.0 to 1.9). From the results of the study it was evident that the internal labour turnover was very minimal in the hospitality industry. Limited internal employee turnovers were only evident in employees moving from one job to another and transfers. In the areas of promotion and relocation there was no employee leaving employment in the preceding one year.

4.4.4 Labour wastage due job resignations

The study sought to establish the number of employees who resigned during the preceding one year period at both sets of hotels under the study. The findings of the study are presented in table 4.6 below.

Table 4.6 Labour wastage due job resignations

	N	Mean	Std. Deviation
Employees who have resigned for the period 0 - 3 months	2	2.80	.837
Employees who have resigned for the period 0 - 6 months	5	3.40	.548
Employees who have resigned for the period 0 - 12 months	11	6.40	1.140

According to the findings of the study, labour wastage as a result of employee resignation was highest in the periods between zero and 12 months of the preceding year. On average, one employee resigned from the organizations (mean score 2.8) and in six months period, two employees resigned from the organization (mean score 3.4). The study results also showed that, in a period of 1 year on average, 9 employees resigned from the organizations (mean score 6.4). It was also noted that, the other forms of labour wastage were very minimal.

4.4.5 Labour wastage due job retirement

The study sought to establish the number of employees who retired during the preceding one year period at both sets of hotels under the study. The findings of the study are presented in table 4.7 below.

Table 4.7 Labour wastage due retirement

	N	Mean	Std. Deviation
Retired employees for the periods 0 - 3 months	1	1.00	.000
Retired employees for the periods 0 - 6 months	1	1.00	.000
Retired employees for the periods 0 - 12 months	4	1.40	.548

The above results show that, on average there were no wastages due to retirements and deaths (mean score < 2.0). Therefore labour wastage as result of retirement was very minimal and hence was not a cause of labour turnover in the hotels under this study.

4.4.6 Labour wastage due death

The study sought to establish the number of employees who resigned died the during the preceding one year period at both sets of hotels under the study. The findings of the study are presented in table 4.8 below.

Table 4.8 Labour wastage due death

	N	Mean	Std. Deviation
Employees who died between the periods 0 - 3 months	1	1.00	.000
Employees who died between the periods 0 - 6 months	2	1.40	.548
Employees who died between the periods 0 - 12 months	6	1.60	.548

4.5 Causes of labour turnover in three and five star-rated hotels

One of the objectives of this study was to identify the causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya. From the study findings several factors were identified to cause labour turnover in hotels.

In this section, the non management employees were asked to indicate their levels of satisfaction on various issues facing them. Employee attitude survey questionnaire form (SHRM, 2000) was used. The Employee Attitude Survey reveals and rectifies problem areas that usually result to future resignations if effectively stemmed, Phillips and Connell (2003). The findings of the study were presented in the subsequent sections.

4.5.1 Distribution of employee attitude survey

Respondents were asked to state the extent to which they agreed with the listed statements concerning employee attitude on a five point likert scale of 1 – 5. The table presented below provides the various responses to the various parameters. This table is a derived from the International Society of Human Resource Managers.

Table 4.7 Employee attitude survey

	Strongly disagree	Disagree	Undecided	Agree	Strongly agree
I have ready access to the information I need to get my job done	6 (6%)	12 (12%)	47 (47%)	32 (32%)	3 (3%)
I am familiar with the mission statement put forth by my department	4 (4%)	6 (6%)	29 (29%)	41 (41%)	20 (20%)
I agree with the mission statement put forth by my department	6 (6%)	9(9%)	26 (26%)	44 (44%)	15 (15%)
I am involved in decision making that affects my job	24 (24%)	35 (35%)	29 (29%)	12 (12%)	0 (0%)
Management has created an open and comfortable work environment	6 (6%)	15 (15%)	26 (26%)	35 (35%)	18 (18%)
I know my job requirements and what is expected of me on a daily basis	9 (9%)	20(20%)	26 (26%)	30 (30%)	15 (15%)
I have received the training I need to do my job efficiently and effectively	9 (9%)	17 (17%)	32 (32%)	29 (29%)	13 (13%)
Training is provided to enable me to do my job well	15 (15%)	35 (35%)	24 (24%)	17 (17%)	9 (9%)
Management recognizes and makes use of my abilities and skills	9 (9%)	26 (26%)	50 (50%)	12 (12%)	3 (3%)
I am treated with respect by management and the people I work with	18 (18%)	29 (29%)	33 (33%)	17 (17%)	3 (6%)
I am encouraged to develop new and more efficient ways to do my work	24 (24%)	35(35%)	26 (26%)	9 (9%)	6 (6%)
Employees work well together to solve problems and get the job done	12 (12%)	24 (24%)	25 (25%)	24 (24%)	15 (15%)
Management is flexible and understands the importance of balancing my work and personal life	32 (32%)	29 (29%)	26 (26%)	12 (12%)	4 (4%)
I would recommend others to work for this company	17 (17%)	32 (32%)	29 (29%)	13 (13%)	9 (9%)

Multi-response

According to the results presented in Table 4.7 above, the study established that even though forty seven percent of the respondents were undecided, thirty two percent agreed with the statement that they readily accessed the information they needed to get their work done. The study results showed that, forty one percent of the respondents agreed with the statement that they were familiar with the mission statement put forth by their departments while forty four percent indicated that they agreed with the mission statement.

The study also established that, thirty five percent of the respondents disagreed with the statement on their involvement in the decision making process that affected their jobs. According to thirty five percent of the respondents, managements created open opportunities and comfortable work environments while twenty six percent of the respondents were undecided.

While thirty percent of the respondents knew their job requirements and what was expected of them on daily basis, twenty percent did not know their job requirements, neither what was expected of them on daily basis as they disagreed with the statement. The results showed that thirty five percent of the respondents disagreed with the statement that training was provided to enable them do their jobs well. The study result further revealed that, twenty nine percent of the respondents were not happy with the management's style of leadership while thirty two percent were undecided, seventeen percent of the respondents subsequently agreed and three percent strongly agreeing with the statement.

The study also established that, the management to some extent was not concerned with the welfare of the employees as twenty nine percent of the respondents disagreed with the statement that the managements were flexible and understood the importance of balancing work with personal life. Most of the respondents (sixty one percent) would not recommend others to work for their organizations. The results of the study showed that fifty percent of the respondents were indifferent whether management recognized and made use of their abilities and skills. According to Wood and Macaulay (1998), quality of supervision, ineffective communication, working conditions, quality of co-workers and lack of clear definitions of responsibilities emanates from lack of clear organization's vision and mission which are evidenced from the above responses.

4.5.2 The departmental working conditions

Respondents were asked about their satisfaction with the working conditions in their respective departments. The findings from this observation presented in the figure 4.5 below.

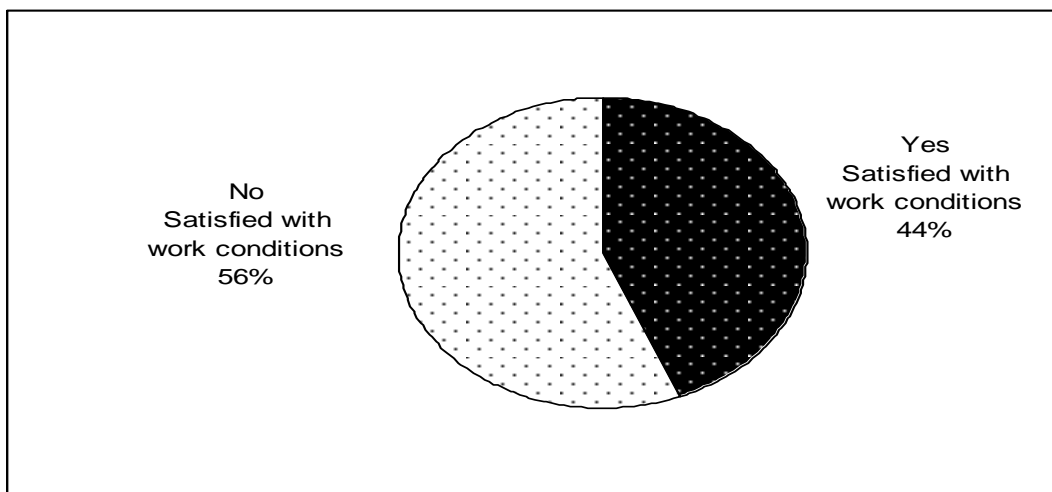


Figure 4.5 Satisfaction with the working conditions of the department

Majority of the respondents (fifty six percent) indicated that they were not satisfied with the working conditions of the department. The study also noted that, forty four percent of the respondents were satisfied with working conditions of the department. The employees also indicated that working conditions in the industry were unfavorable since one worked for longer hours which did not commensurate with the pay.

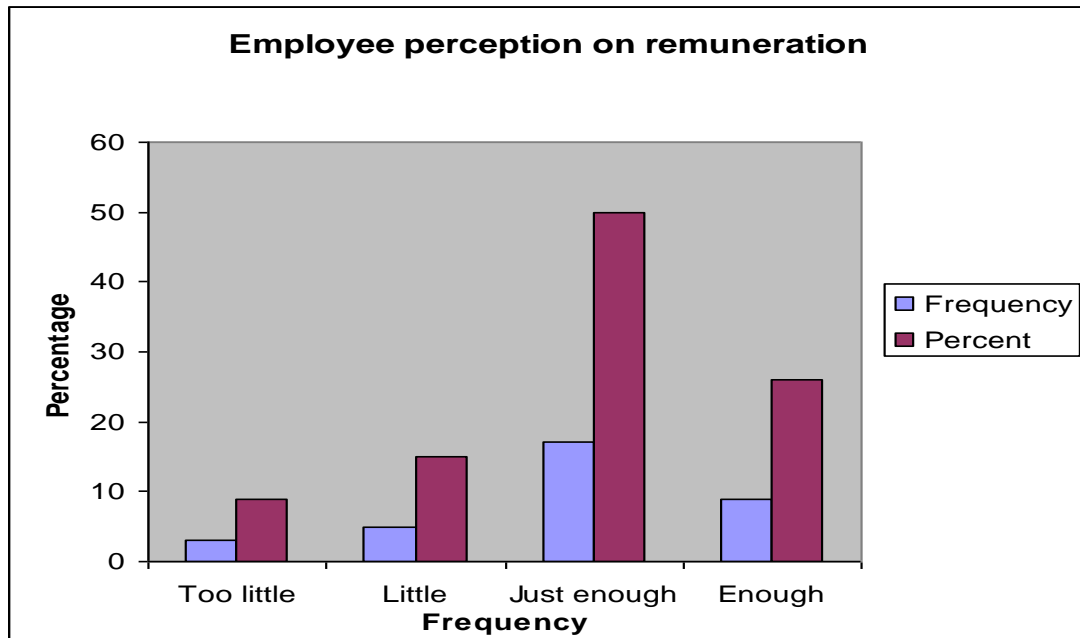
Respondents also indicated that the shifts did not favour them as they were not given opportunity to choose the hours and days that suited them. The study findings concurred with similar findings by Welman and Kruger (2001) as well as Hinkin and Tracey (2000) that, work in hotel industry had been characterized by unfavorable environments especially in non-management workers. Additionally, Leiper, (1999) is of the opinion that, such an environment gives positive results to employees who are not committed to the organizations they are working for.

The study further established that, workplace was stressful yet employers were expected to offer their very best services. Simultaneous production and consumption by customers does not give employees time-off. These findings of the study agreed with the views of Brownell and Judi (1998) and Lashley (2000) that hospitality industry employees are confronted with continuous crises and a great deal of uncertainties which create stress and also experience jobs that are tightly controlled, routine and monotonous which they attributed to the high rate of employee turnover in the industry.

4.5.3 Remuneration

The study sought to establish the perception that the respondents' had with the remunerations they were receiving from employers.

Table 4.8 Description on remuneration



According to the results in Table 4.8 above, 67 of the respondents (fifty percent) indicated that their salaries were just enough while 35 of the respondents (twenty six percent) indicated that their salaries were enough. Also from to results of the study, 25 of the respondents (nineteen percent) indicated that their remuneration was little and another 7 of the respondents (five percent) still felt that the salary they were receiving was too little.

The respondents equally indicated that they preferred to receive higher remuneration that commensurate with their work output. This may explain the causes of high rate of employee turnover as cited by Gupta and Shaw (2001) that, there is a strong relationship between pay and employee commitment to the organization. The results of the survey further concurred with Baum (1996) and Wood (1995) that, tourism and hospitality industry are characterized by low payment and poor working conditions. More so, where trainings and employees participation in the decision –making exist, employees feel motivated and this reduces the labour turnover. Plans that accommodate only the employers’ needs may result in dissatisfaction, frustration, low morale and high turnover. Hence employees who are highly compensated are likely to stay longer in the organization (Zuber, 2001).

Asked to explain their answers, some respondents indicated that the salary was barely enough as they were struggling just to make ends meet. Respondents indicated that the salaries they received could not make them meet all their needs as they always lived in debts. The study established that in most of the respondent hotels, employees had not received salary increments for a long time and even where they received it was too little.

4.6 Summary of the chapter

In this chapter, various findings and discussions were observed, analyzed and presented in graphical tables, ratios and other data analysis tools. In the subsequent chapter, major findings of the study are summarized using the study objectives. Conclusions and recommendations are also presented using the same objectives.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarized the main findings of the study from which conclusions were drawn. It was divided according to the specific objectives of the study. The study then suggested recommendations for the management. Recommendations for future study were also presented towards the end of the discussion.

5.2 Summary of the findings

The purpose of this study was to establish internal and external causes of labour turnover, determine labour turnover levels as well as to determine labour wastage levels in three and five star-rated hotels in Nairobi Kenya. A target population of about 500 permanently staff members working in three and five star-rated hotels were involved in this study. Data was collected using a questionnaire structured with both open and close ended questions. It was then analyzed through the descriptive statistics such as mean, ratios, standard deviations and percentages.

To guide the achievement of the purpose, objectives were formulated and used at arriving on findings presented in the subsequent sections.

5.2.1 Summary on the internal causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya

The aim of objective I was to establish internal causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya. The following were the findings.

Several causes of labour turnover such as, job dissatisfaction, unfavourable working conditions, long working hours with minimal pays and poor employees training programmes, were identified from the hotels under the study.

The study also showed that fifty six percent of the respondents were never notified with the working conditions of their departments. They also described the work environment as unfavorable due to the fact that they worked for long hours. The pay perks were noted to be below the industry's average and therefore could not match the work they did.

Another reason given for poor working condition was the fact that employees had no choice of the shift they wanted to work and the supervisors were cruel to them. These made the work of the employee stressful. Over sixty percent of the respondents described their remuneration as being not to meet their basic needs and therefore lived on debts. However, only a small fraction of twenty six percent, who were in the management, indicated that their salaries were enough. There had been no salary increment for a long time and even where it was received, it was very little.

5.2.2 Summary on the external causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya

This objective was aimed at establishing the external causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya. The following were the findings.

The external factors that cause labour turnover exist outside the organization environment and are beyond its control. These factors have a significant impact on the policies, practices, strategies and plans of human resource management. By analyzing the outside community and society, the proactive Human Resource Planner can assess likely current and future changes and determine possible impact on its workforce and organizational plans. From this study, several external factors were established as the major causes of labour turnover. These included the country's economy, better pay elsewhere, increases of pay in other industries, strong local and regional economy as well as low unemployment rates in regional economies.

5.2.3 Summary on the levels of labour turnover in three and five star- rated hotels in Nairobi, Kenya

The aim of this objective was to determine levels of labour turnover in three and five star-rated hotels in Nairobi, Kenya. The following were the findings for this objective.

Major findings of this research revealed that, labour turnover was evident to be high in three star-rated hotels (sixty eight percent) than in five star-rated hotels. It was observed that, these set of hotels were four times higher than the average rates of labour turnover across the industries. Employees were more willing to re-locate to other towns if only better employment terms were presented. Change in employment terms from contractual to permanent employment was also noted as driver to employees looking for greener pastures that would pay better.

As observed in table 4.3, frequent movements of employees from one hotels group to another with few promotions were noted. Subsequently, the study also revealed that 24 (sixty eight percent) respondents had been in the organizations for less than one year while 9 (twenty six percent) had been in the organizations for between three and five years. A further 2 (six percent) employees had been in the organizations for over 5 years. This indicated that majority of the respondents had not been in their current organizations for a long time.

The five star hotels had three times more the number of employees who had stayed in their current employment. Perhaps to conclude that, the three star-rated hotels do not provide better remunerations and other incentives that would encourage the employees to continue staying in such employments.

The maximum acceptable rate for the turnover across the industry is twenty percent annually for all non-management employees. However, some organizations striving to be employers of the choice set their turnover rates at a value below the maximum acceptable rate. These organizations focus much attention on attracting and retaining employees. In still other situations, a few organizations desire to be the best at this issue by setting out the best practice or world-class at top ten percent turnover rate standard for the industry. Still in other firms, they have offered health maintenance programs as employees' benefits to increase worker satisfaction and retention rates. There had been improvements on company policies, supervision in the workplaces; better working conditions salary and relationship with peers, personal life and work status as well as job security.

In order to arrive at publishing a national turnover data reflecting annual turnover rates, various parameters are used by organizations. These include; the entire economic climate and national data on Gross domestic product (GDP), Stock market changes, Consumer confidence Index, Index of leading economic indicators, Help-wanted advertising Index, and Weekly hours worked, Total civilian employment, Layoffs, Jobless chain and Unemployment rate.

5.2.4 Summary labour wastage levels in three and five star-rated hotels in Nairobi, Kenya

The aim of this objective was to determine labour wastage levels in three and five star-rated hotels in Nairobi, Kenya. This study established the following findings.

The study also sought to establish labour wastage levels in the hotels under the study. From the findings, only one person moved jobs in the last one year (mean score 2.4) while neither promotions observed nor relocations in the last one year. It was evident from the results that, only two transfers were made in six months period and four in one year. This finding was a clear indication that, internal labour turnovers were very minimal save for transfers in three and five star-rated hotels in Nairobi city as found in ILO report (2001).

However, many organizations witnessed a lot of resignations (mean score 6.4) while other forms of labour wastage such as retirement and deaths were reported. Employees' resignations from formal employments were also observed, resulting to organizations incurring costs in the employment processes.

Labour wastage due to jobs transfer affect the quality of products and services in the hotel industry. According to Johnson (1981), the hospitality industry incurs significant replacement and recruitment costs which in turn affect profitability of an organization. He therefore concludes that, management fails to treat labour turnover as a priority problem regarding it as normal for the hospitality industry. The study showed that, within the period of 12 months, there were four transfers (mean score 5.0) which was slightly below the industry's mean score of 6.0. The number of the transfers had financial implication to the organization however long it takes to account for it. This was evident in the five star-rated hotels under this study.

5.3 Conclusions of the research

The following were the key conclusions that were observed from this study.

5.3.1 Conclusions on the internal causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya

These findings concurred with Gupta and Shaw (2001) that pay is the most critical outcome of organizational membership for employees to stay on. Respondents described their salaries as poor, a pointer to their dissatisfaction with the employers therefore constantly looking for greener pastures. The uncondusive work conditions resulted to the employees developing work related stress and reduced employees' organizational commitment. This was evident where few hotels, if any had employees who worked to their retirement. Reigel (1995) asserts that, labour turnover can be desirable in some instances, especially when pay is linked to length of tenure. As a result, this study

observed the employee resignation as the major form of labour wastage in both the three and five star-rated hotels in Nairobi.

5.3.2 Conclusions on the external causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya

The study established that, about thirty two percent of the respondents readily accessed information they needed for work done. According to the study, most of the respondents were familiar with the vision and mission statements of the organizations they were working with. This perhaps enabled them to achieve more satisfaction derived from the work they do and therefore staying longer in the current employments.

The study further established that employees were not involved in decision making process, even those decisions which affected their jobs. Perhaps this resulted to the main causes of resignation in the hotels under the study.

According to the study, thirty five percent of the respondents did not receive training which enabled them to do their jobs well. Hence, were dissatisfied with their jobs and low morale among them. This perhaps also resulted to the employees looking for jobs elsewhere.

It was equally evident from the findings of the study that, the management did not treat well their employees, as respondents described them as inflexible and they did not balance work and personal life of the employees as they had to for long hours. This resulted to sixty percent of the respondents to indicate that they would not recommend

others to work for the organization. According to the study, majority of the respondents did not know whether they utilized their abilities and skills.

5.3.3 Conclusions on the levels of labour turnover in three and five star- rated hotels in Nairobi, Kenya

The ultimate goal of the strategic accountability approach to managing retention is to develop a very low turnover rate. This translates into high retention. A low turnover rate is only meaningful, relative to what is expected or acceptable to the organization. This is done by introducing the concept of setting targets for turnover for a particular group.

This study confirmed the ILO report (2001) that any human resource management programs in recruitment, selection, training and development and rewarding systems result in organizational benefits.

High turnover levels (sixty eight percent) were observed in the three star-rated hotels, among employees who had worked in periods of less than three years as compared to the five star-rated hotels within the same periods. These findings confirmed the study by Gupta and Shaw (2001), that better pay is the most critical outcome of organizational membership for employees.

The study also identified high turnover rates amongst employees on their first employments. This concurred with the ILO (2001) studies, done in the United States of America, Asia and in the United Kingdom on labour turnover levels among hotels employees. Thus, reflecting a similar phenomenon in three and five star-rated hotels that this research endeavored to study here in Nairobi, Kenya.

It was evident from the study that, high rate of labour turnover in the hotels was mainly as a result of poor working conditions. More so, the insensitivity and little concerns on the management of the employees' welfare and balancing of personal life was a reason to turning over. Respondents indicated that they had to work for long hours while receiving little pay which could not commensurate with the amount of work done. This lowered the employee motivation as they were not rewarded according to the amount of work they would do.

The labour turnover levels in the five star rated hotels were found to be minimal with only fourteen percent of the total employees having worked in less than three years since employment. It was therefore notable that, majority of the employees in this set of hotels had worked for longer periods of time. According to Mobley (1977), factors such as added responsibilities, staff training, performance and evaluation as well as the company's succession plans are suggested to reduce labour in the hospitality industry. Subsequently, low labour turnover rates have positive effects on the profitability of any organization (Phyllis, 1990).

5.3.4 Conclusions on labour wastage levels in three and five star-rated hotels in

Nairobi, Kenya

According to the findings of the study, labour wastage in both the five and three star-rated hotels was very minimal. It was observed that, (Table 4.6) on average two employees resigned from the job (mean score 2.4) in the periods zero to six months and a similar number between the period zero to 12 months, while none either resigned, retired

or died between the periods of zero to three months. Labour wastage however, for the period between zero to twelve months as result of resignation, retirement or death was twenty percent. This concurred with Nankervis et al (1996), that, the industry average ranges between twenty and sixty percent in the hospitality industry and therefore was within the industry's average.

5.4 Recommendations of the research

Several recommendations were also noted and discussed in the subsequent sections. In addition are areas that further studies could be carried out.

5.4.1 Recommendations on the internal causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya

The first and obvious solution to the need for pay is to compensate employees with the highest possible wages. The study also established that the major causes of employee turnover in the hotels were the poor working conditions and lack of shared decision making between the employees and the management. The study therefore recommended that, the management should improve the working condition for the employees such as flexibility in selection of shifts and balancing of work and personal life for the employees. Employees should not be overworked with very little compensation as this will lead to de-motivation and hence demoralization.

5.4.2 Recommendations on the external causes of labour turnover in three and five star-rated hotels in Nairobi, Kenya.

The study recommended that, the management should improve the internal working environment so as to retain more workers. Subsequently, training policies as well as creation of flexible working hours would encourage more workers to view hotels jobs as long term careers like in other industries.

5.4.3 Recommendations on the levels of labour turnover in three and five star- rated hotels in Nairobi, Kenya

Labour turnovers in both the three and five star-rated hotels in Nairobi were noted as a concern by the senior management and supervisors working in these hotels. Subsequently, workers also viewed the labour turnover as a factor affecting their performances either directly or indirectly. The study therefore recommended that organizations should initiate change management programmes such as on-job trainings, encourage internal promotions as well as reviewing employees salaries from time to time. As noted earlier, human capital is the most valuable asset in any organization that endeavors to maintain a competitive edge in the industry.

5.4.4 Recommendations on labour wastage levels in three and five star-rated hotels in Nairobi, Kenya

The study also established that labour wastage in the three and five star-rated hotels in Nairobi, though not very high, could still be described as alarming. Hence, employee resignation could be avoided if the employees' satisfaction surveys are carried out

regularly. The Employees' satisfaction surveys help the management to identify satisfaction gaps that need to be dealt with, tactfully by the human resource manager at the early stage of the occurrences. The study therefore recommended that, the management to look into the employee welfare such as salary among others to motivate them. The study further recommended the improvement of working conditions in the hotels to boost employees' morale. These were recognized as the ingredients to employee commitment to the organization.

5.5 Recommendations for further Studies

This study was done on the three and five star-rated hotels in Nairobi only. It therefore recommended that similar studies be done at national level of the economy with an aim of establishing labour turnover levels, labour wastage as well as factors that causes labour turnover.

The study further recommended that such studies be carried out in other African States. This should aim at establishing if similar factors that influence labour turnover in the Kenyan hotels are a replica in other economies of the world.

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APPENDICES

APPENDIX 1

SAMPLE CONSENT LETTER TO COLLECT DATA

KENYATTA UNIVERSITY
DEPARTMENT OF HOSPITALITY
AND TOURISM
P.O BOX 43844,
NAIROBI
16th MAY 2007

PERMANENT SECRETARY
MINISTRY OF SCIENCE
AND TECHNOLOGY,
HAREMBEE AVENUE
P.O BOX 60209-00200
NAIROBI

Dear

REF: REQUEST FOR AUTHORIZATION TO COLLECT RESEARCH DATA

Following our discussion on the 2rd of May, 2007 on my request to collecting data on the field for my Thesis entitled: **“ASSESSMENT OF FACTORS INFLUENCING LABOUR TURNOVER IN THREE AND FIVE STAR-RATED HOTELS IN NAIROBI, KENYA”**

Please find the attached questionnaire intended for distribution to the respondents in the various hotels under this study. I appreciate your consideration to respond to this request.

Thank you.

Yours faithfully,

Kung’u Samson Kuria.

(The Researcher)

APPENDIX 2: QUESTIONNAIRES FOR NON-MANAGEMENT STAFF

Introduction

I thank you for accepting to spare your valuable time to fill-in this questionnaire for me.

The information that you provide in the entire questionnaire is purely for academic purposes will be accorded strict confidentiality from any other party. The questionnaire has two sections where all responses provided are important to the researcher.

I therefore request you fill all the questions. Again,

Thank you.

PART 1: PERSONAL BIODATA

1. Name of the respondent (optional) _____
2. Sex Male [] Female []
3. How old are you?
 Less than 25 years [] 25 – 30 years [] 31 – 40 years []
 41 – 50 years [] Over 50 []
4. What is your level of education?
 O level [] Diploma [] Degree []
 Post graduate []
5. How long have you worked in the organization?
 Less than 3 year [] 3 – 5 years [] Over 5 years []
6. What is your designation? _____

PART 2: EMPLOYEE ATTITUDE SURVEY (EAS)

7. State the extent to which you agree with the following statement on a five point likert scale where 1 means strongly disagree, 2 represents disagree, 3 represents undecided, 4, agree and 5, strongly agree. Tick where appropriate

	1	2	3	4	5
I have ready access to the information I need to get my job done					
I am familiar with the mission statement put forth by my department					
I agree with the mission statement put forth by my department					
I am involved in decision making that affects my job					
Management has created an open and comfortable work environment					
I know my job requirements and what is expected of me on a daily basis					
I have received the training I need to do my job efficiently and effectively					
Training is provided to enable me to do my job well					
Management recognizes and makes use of my abilities and skills					
I am treated with respect by management and the people I work with					
I am encouraged to develop new and more efficient ways to do my work					
Employees work well together to solve problems and get the job done					

Management is flexible and understands the importance of balancing my work and personal life					
I would recommend others to work for this company					

8. Are you satisfied with the working conditions in your department?

Yes [] No []

9. Explain your answer_____

10. How would you describe the remuneration you get at the end of the month?

Too little [] Little [] Just enough [] Enough []

11. Explain your answer_____

12. What changes, if any, do you feel need to made in your department to improve working conditions?_____

APPENDIX 3: QUESTIONNAIRES FOR SUPERVISORS, MANAGERS AND OTHER SENIOR STAFF

Introduction

I thank you for accepting to spare your valuable time to fill-in this questionnaire for me.

The information that you provide in the entire questionnaire is purely for academic purposes will be accorded strict confidentiality from any other party. The questionnaire has two sections where all responses provided are important to the researcher.

I therefore request you fill all the questions. Again,

Thank you.

PART 1: PERSONAL BIODATA

13. Name of the respondent (optional) _____

14. Sex Male [] Female []

15. How old are you?

Less than 25 years [] 25 – 30 years [] 31 – 40 years []

42 – 50 years [] Over 50 []

16. What is your level of education?

O level [] Diploma [] Degree []

Post graduate []

17. How long have you worked in the organization?

Less than 3 year [] 3 – 5 years [] Over 5 years []

18. What is your designation? _____

PART 2: DETERMINING LABOUR TUNOVER LEVELS

NB. Labour turnover relates to the human resource movement within organizations i.e. employees moving from job to job, through transfers, promotions or relocation.

Please tick one answer that applies to each question.

19. How many employees does your organization have?

Less than 50 employees []

Between 50 and 100 employees []

Between 101 and 200 employees []

Over 200 employees []

20. How many employees moved from one job to another in the last;

a. 0-3 months-----

b. 0-6 months-----

c. 0-12 moths-----

21. How many transfers did you have in;

a. 0-3 months-----

b. 0-6 months-----

c. 0-12 moths-----

21. On promotions, how many employees were promoted in;

- a. 0-3 months-----
- b. 0-6 months-----
- c. 0-12 months-----

22. How many relocated in the last;

- a. 0-3 months-----
- b. 0-6 months-----
- c. 0-12 months-----

PART 3: DETERMINING LABOUR WASTAGE IN THREE AND FIVE STAR-RATED HOTELS

NB: The term; human resource wastage refers to the rate, or ratio, of the employees who leave an organization, through resignation, retirement or death, during specified periods.

Please tick one answer that applies to each question.

Q1. Please indicate the number of employees who have resigned from this organization in the following periods.

- a. 0-3 months-----
- b. 0-6 months-----
- c. 0-12 months-----

Q2. How many employees have retired from this organization during the following periods;

- a. 0-3 months-----
- b. 0-6 months-----

c. 0-12 months-----

Q3. On death, please indicate how many employees have died during the following periods;

a. 0-3 months-----

b. 0-6 months-----

c. 0-12 months-----

Q4. Please indicate other reasons that may have resulted their departure from this organization-----

APPENDIX 4:

LETTER OF INTRODUCTION TO HOTELS

To the concerned,

30th September 2007

Dear Sir/Madam,

RE: REQUEST FOR DATA

I am a student in Kenyatta University taking a masters program in Hospitality and Tourism management. As a partial requirement to fulfillment for the stated degree program, I am conducting a research. My area of research study is entitled; **Assessment of factors influencing labour turnover in three star and five star hotels in Nairobi**. I therefore wish to collect data from your organization for this research work.

This letter, therefore, is to request you to assist me by completing the attached questionnaire. The information obtained will be used purely for academic purposes and no identifying information will be used. The findings of the study will be made available to you upon request. Please kindly avail any other information or comments not included in the questionnaire that you think is of importance to the study.

Yours faithfully,

Kung'u Samson Kuria

(The Researcher)

APPENDIX 5: COPY OF KENYA GAZETTE ON HOTEL CLASSIFICATION**INTRODUCTION:****Hotel rating and their Classification**

Hotel star-ratings are systems that rank hotels according to quality. The star-rating systems are intended to serve as guidelines for guests who are making hotel reservations.

While star-ratings can be helpful when booking hotels rooms, there is no standardized star-rating system.

In Europe, hotels are usually ranked on a scale from one to four stars, with four stars being the highest rating possible. In the United States of America, hotels are generally ranked on a scale from one to five stars, sometimes using half star increments. Star rating in Europe is determined by local government agencies or independent organizations and they vary greatly from country to country. In fact in Europe, they can also vary from city to city within the same country and even between hotels in the city. In other words, there is no uniform measure that determines a hotel star-rating. Each hotel is rated based on details that often don't matter to consumers but on other factors such as the amount of tax a hotel pays annually. Similarly, in the USA, star-ratings are conferred upon hotels by several organizations. The National consumer travel organization and tour guide books assign star-ratings to hotels but each one uses its own set of criteria to determine the ratings.

The classification of hotels within hospitality and tourism industry in Kenya follows the enactment by world tourism organization. The Hotels and Restaurant Act (Cap 494), in accordance with regulation 2 of the Hotels and Restaurants (Classification of Hotels and

Restaurants) Regulations 2000, Hotels and Restaurant Authority establishes the following classes of standards for the classification of hotels and restaurants.

To qualify for one star grading, a hotel must score 100 per cent on essential items and a minimum of 50 per cent points out of a possible total of 1995 points marked on the criteria for classification for a one star hotel in the fifth Schedule.

To qualify for two star- grading, a hotel must score 100 per cent on essential items and a minimum of 60 per cent points out of a possible total of 2185 points marked on the criteria for classification for a two star hotel in the fifth Schedule.

To qualify for three star grading, a hotel must score 100 per cent on essential items; a minimum of 30 per cent points of the total points under each main section in the Second Schedule and a minimum of 60 per cent out of the possible total of 3305 points marked on the criteria for classification for a three star hotel in the fifth Schedule.

To qualify for four star grading, a hotel must score 100 per cent on essential items; a minimum of 40 per cent points of the total points under each main section in the Second Schedule; a minimum of 80 per cent out of the possible total of 4230 points marked on the criteria for classification of a four star hotel in the fifth Schedule.

To qualify for five star grading, a hotel must score 100 per cent on essential items; a minimum of 50 per cent points of the total points under each main section in the Second Schedule; a minimum of 80 per cent out of the possible total of 4800 points marked on the criteria for classification of a five star hotel in the fifth Schedule.

Sample Framework of Hotels and their Classification

Hotel Category	Hotel Name
5-Star Hotels	Hotel Intercontinental Grand Regency Hotel Safari park Hotel Hilton Hotel The Norfolk Hotel Nairobi Serena The Stanley
3- Star Hotels	The Bounty Hotel Fair View Hotel Marble Arch Hotel Land Mark Hotel Holiday Inn Hotel Windsor Golf Country Club Utalii Hotel Nairobi Safari Club Ambassadeur Hotel

