**IMPACTS OF EMPLOYEE TURNOVER ON ORGANISATIONAL PERFORMANCE: A CASE STUDY OF SAROVA STANLEY HOTEL, NAIROBI.**

**BY**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF TOURISM AND NATURAL RESOURCES MANAGEMENT FOR PARTIAL FULFILMENT OF A BACHELOR’S DEGREE IN HOTELS AND HOSPITALITY MANAGEMENT**

**MAASAI MARA UNIVERSITY**

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# DECLARATION

I, the undersigned declare that this is my original work and it has not been submitted to any other institution for academic credit.

Signed: ……………………. Date: …………………

Macharia Teresiah Wambui

Reg no. Bhhm/010/2014

This project has been presented for examination with my approval as the appointed supervisor.

Signed: …………………… Date: ………………….

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# ABSTRACT

The purpose of the study was to determine the impacts of employee turnover on the organizational performance. The first research question of the study examined how employee motivation affected employees’ turnover which affected the organizational performance. The second question sought to find out how the employees’ compensation had an impact on employee turnover and organizational performance while the third question examined how the hospitality labor markets affected the employee turnover and its impacts to the organizational performance. This study adopted a descriptive survey design where the study had a population of 345 and a sample size of 42. Descriptive statistics were analyzed for frequencies and percentages. Data from the study findings is presented using tables and figures. The key findings of the study were that employee recognition played a big role in their motivation which enhanced their attachment to the organization. Majority of the employees agree that they were more motivated to do their duties when they felt that their efforts contributed into achievement of the organizational goals. The study indicated that employee productivity affects employee motivation. This is because employee motivation leads to increased productivity. Other factors that affected employee motivation include; employees’ confidence in their jobs, managers’ trust on employees and promotion opportunities. The study also found that employees’ compensation had a link to employee’s turnover and organizational performance. The study focused on employees paid allowances, salaries being linked to work done and paid overtimes and holidays. The study also found that employee turnover affects their motivation. In cases of high turnover in an organization, the employees tend to feel insecure with their jobs which in turn affect their performance and the overall organization performance. The major conclusions are that there is a significant relationship between employee motivation and employee turnover which has a great impact on organizational performance. The study concluded that the employees’ recognition, trust by managers and other staffs and availability of promotional opportunities enhances employee motivation which reduces level of employee turnover. The study recommended various ways of curbing employee turnover which includes; improving the employees’ work environment, staff recognition, periodic appraisal, salary standardization and ensuring that staff appraisal is attached to monetary value and rewards for good management. The study also recommends that the management at sarova Stanley hotel to invest more in building employees’ professional capacity and capabilities which would enhance and built employees’ ability to perform their duties. The hotel should also ensure adequate compensation of employees for services rendered

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# DEDICATION

I dedicate this research project to my lovely mother and my siblings for their support.

# CHAPTER ONE

## CHAPTER INTRODUCTION

This chapter entails the background of the study, problem statement, research questions, research objectives, justification, and significance of the study, scope of the study and definition of terms.

## BACKGROUND OF THE STUDY

The hospitality industry ranks among the top five largest sectors in most economies in the world. It creates dynamic investment opportunities worldwide. The tourism and hospitality industry is among the fast expanding industries in the world and they are important top foreign exchange earners (Kenya vision 2030). Due to this expansion, the tourism and hospitality industry have helped in providing employment to a larger number of people in Kenya. Wood (2005) argues that most hospitality employees have no career structure and that their jobs are perceived as dead ends making firms less likely to attract long stay recruits. He further says that the hospitality industry jobs are seen as a stepping stone where people pass through to seek other careers. While all aspects of managing human resources are important, employee retention continues to be an essential human resource management activity which helps an organization in their quest to achieve their goals and objectives (Mello, 2010). Most organizations have taken into account the human resource plan as an essential role in gaining a competitive advantage in the current highly competitive global business environment while all aspects. As such, researchers and practitioners are alike are interested in addressing the key issues and challenges relating to employee retention. Retaining productive employees is critical to running a successful business no business can enjoy and sustain the success until it deals with the problem of employee turnover efficiently and successfully and this call for a strategic approach to the management of employees in order to motivate them to stay (0ngori, 2010). According to Kevin et (al 2014), although there is no standard framework for understanding employees, turnover as a whole, a wide range of factors have been found useful in interpreting employee turnover. In line with this there is needed to develop the causes of employee turnover and how it affects organizational performance. This makes the basis for this study.

## PROBLEM STATEMENT

Employee turnover has been an enigma for many decades in the hospitality industry. In the hospitality industry and specifically hotels, it is very essential for organizations to stay focused on employee performance and seek ways to enhance it. The hospitality industry is manpower intensive by nature; the management should therefore ensure that they treat the employees as assets to enhance employee retention. In the recent past, the hospitality industry has experiences rapid growth which has encouraged entry of new players in the market, however, trained and experienced labour market has not grown in tandem with this particular growth. Demand for labour has risen and this has resulted to high employee turnover. Studies done regarding labor turnover in the service industry across the world indicate that the hospitality industry leads with employee turnover over time (Kuria et al, 2012). Turnover is very expensive as it results to upsetting the routines, removal of experienced workforce; it makes customers uncomfortable which may lead to reduced consumer loyalty and consequent failure of the firm. Kuria et al (2012), argues that the failure to consider the impacts of the high employee turnover has resulted to the industry lagging behind the other economic sectors despite the importance of the industry. It is for

This reason that the research intend to fill the knowledge gap about turnover in the hospitality industry

## RESEARCH QUESTIONS

1. What impacts does employee motivation have on employee turnover in the hospitality industry?
2. How does employee compensation affect employee turnover in the hospitality industry?
3. How does the labor markets affect employee turnover in the hospitality industry?

## RESEARCH OBJECTIVES

1. To examine the effect of employee motivation on employee turnover in the hospitality industry
2. To determine the effect of employee compensation on employee turnover in the hospitality industry
3. To find out the effect of labor markets on employee turnover.

## RESEARCH JUSTIFICATION

The study is very essential as it will help the managers in the hospitality industry to curb the high rates of employee turnover which is currently running out of control. The research findings and recommendations will be useful as the management will no longer base their managerial decisions on personal experiences, subjective but on concrete knowledge of factors affecting employee turnover as supported by the research findings. The study is in support of the Kenya vision 2030 where the government aims at expansion and growth of the tourism and hospitality industry which will provide employment t a lot of people. The study will also be helpful in enhancing employee retention in the hospitality industry leading to increased productivity and improve organizational; performance.

## SCOPE OF THE STUDY

The study was conducted at sarova Stanley hotel in Nairobi. It focused on the population of 345 employees at the hotel. Data was collected from both the management and general employees. The researcher ensured that he collected data from all the sections which included, the front office, housekeeping, food and beverage service, kitchen, maintenance, security, housekeeping=g and laundry. This study was limited to sarova Stanley hotel, Nairobi.

## SIGNIFICANCE OF THE STUDY

The findings of the study will benefit the sarova Stanley hotel as the management and its employees will have a clear understanding on employee turnover and the knowledge on how to curb it. The study will also benefit the hospitality industry at large as they will know how to deal with employees as an essential asset in the industry. The government will also benefit as the study will be a source of statistics that will help in policy making and developing better reward systems, compensation systems and ways of employee motivation.

## DEFINITION OF OPERATIONS TERMS

### Employee motivation

Ran (2009) defined motivation as a process that accounts for an individual’s passion, direction and determination of effort toward attaining a goal. It was also described by Elliot et al (2008) as the strength and direction of behavior.

### Employee turnover

According to society for human resource management (2012), employee turnover is defined as the rate at which employees enter and leave a company in a given fiscal year. Regardless of the health if the economy, turnover is an important metric for human resource professionals as it allows them to focus not only on retaining their best workforce but also on planning for the future.

### Employee compensation

Garl dessler (2010) defines compensation as all forms of pay going to employees and arising from their employment

# CHAPTER TWO: LITERATURE REVIEW

### Chapter introduction

This chapter review concepts of labor turnover and existing literature based on the objectives of the study.

### The concepts of employee turnover

Employee turnover is one of the most explored concepts in the field of organizational behavior. Many scholars and researchers have developed numerous definitions of the staff turnover concept. CIPD (2014) defined employee turnover as the proportion of employees who leave an organization over a set period, expressed as percentage of the total workforce numbers. Hendry (2012) considers employee turnover as the rate at which workers leave and be replaced by others within an organization. Employee turnover can either be voluntary or non-voluntary. In voluntary turnover, employees leave the organization at will, end of employment contract, retirement or death whereas in involuntary turnover it is mainly initiated by the human resource management where employees are laid off, promoted or transferred to other branches within the organization(talent management alliance,2013).

### Motivation and organizational performance

Olusegun (2012) indicated that motivation is the willingness to exert a persistent and high level of effort towards organizational goals by the efforts ability to satisfy some individual needs. Aworemi (2011) stated that motivation is the result of the interaction between the individual and the situation. Iguisi (2009) defined motivation as the willingness to exert high levels of efforts to reach organizational goals, conditioned by efforts ability to satisfy some individual goals .motivation is intrinsic, that is internal, and it comes from within based on personal interests, desires and need for fulfilment. However, extrinsic factors such as rewards praise and promotions also influence motivation. Dehlor (2006) indicated that workers need to be motivated through avoiding the frustration and tardiness of appointment and promotion processes and foster transparency by ensuring that they are devolved to facilitate and anchored in a representative committee system at every level. Hotels should work towards a reasonable improvement in the working conditions, salary and non-salary of employees as this is likely to result in more than proportionate levels of job satisfaction. Musah and Nkuah (2012) reported that the greatest amount of motivation is present when people perform tasks that are rewarding both intrinsically and extrinsically.

### Employees recognition

A study conducted in Pakistan to examine the relationship between rewards and employee motivation in commercial banks found that there were four types of rewards which includes recognition. It was tested through correlation where the results showed that recognition correlates significantly (0.65) with employee work motivation (Kalimullah et al, 2010). According to Maurer et al, (2010) rewards and recognition are essential factors in enhancing employee job satisfaction and work motivation which is directly associated to organizational achievement (Jun et al 2006). Salman conducted a study in Pakistan where he examined the job satisfaction among bank employees in Punjab. He used structured questionnaire survey to gather data from employees of four different banks. The value of correlation coefficient for recognition was 0.251. This shows that the relationship with job satisfaction is positive. Job satisfaction is directly associated with internal work motivation of employees that enhances increase in employees motivation.

### Achievement

Ziegler et al (2009) explains that the need for achievement is one of the greatest motivators for employee performance. Zhou (2011) defines achievement as the ability to obtain results based on set objectives or goals. Employees’ achievements fall under different categories, that is, confidence in success, persistence, goal setting and commitment (Tremblay et al, 2010). The ability of an employee to be tenacious and to continue working hard to improve both personal and organizational objectives enhances their ability to perform. Zare (2012) explains that managers seeking to enhance employee performance should establish internal organization techniques that will enable employees to plan effectively and follow through their performance objectives.

### Compensation and organizational performance

When the workers are extremely unsatisfied with the compensation system, the organization face voluntary turnover. Adamsky (2005) Posts that investing in employee is the key to business success. He says that firms are suffering as a result of poor investment in the human resource usually regarded by many firms as temporary business assets. Sung j and Ashton d (2005) claims that reward and commitment practices aim at creating a greater sense of belonging and commitment to the organization. Such practices include performance pay, flexible job descriptions and job rotations. They observed that there is a stronger correlation between the adoption of such practices as proper financial and non-financial commitment to the organization competitiveness. Peter et al (2006) claims that compensation is not only the extrinsic rewards such as salary and benefits but also the intrinsic rewards such as achieving personal goals autonomy and more challenging job opportunities. They further stated that compensation refers to all forms of financial returns and tangible services and benefits that employees receive as part of an employment relationship. Peter et al (2006) says that while many factors may cause employees to leave an organization, inadequate compensation is often the cause of the turnover.

### Employee productivity

The organizations that link pay to individual performance are more likely to attract individualistic types of employees, while the organizations that rely more on team rewards are more likely to attract more team oriented employees. It has been found that different pay systems attract different people depending on their personality traits and values .contributions made by new employees are recognized by varying the level of their starting salaries. The mechanism for recognizing employee contributions differs from new and existing employees. New employees are paid at the minimum rate unless their qualifications exceed the minimum qualifications of the job. Those exceeding the minimum qualifications are paid more because they can make a greater contribution. Existing employees’ contributions are usually recognized in the form of pay raises, typically granted on the basis of seniority and performance (Henderson, 2003).

### Reward strategy

According to Armstrong (2010), reward strategy is the policy that provides specific direction for the organization to develop and design programs which will ensure it rewards the performance outcomes supporting the achievement of its business goals. One of the most effective ways compensation can have a positive impact on employee retention is to construct an employee development plan that promises employees career track opportunities with the company. Being on an upward career track should come with corresponding salary and merit increases. Moreover, performance based bonuses motivate employees in terms of aligning their individual goals with the company goals. Implementing incentives such a stock, profit sharing and spot rewards are other ways compensation affects retention. These forms of compensation shows how essential employee performance is to the organizations overall profitability. Spot rewards are not necessarily lucrative, however they provide immediate recognition, reward and compensation when the company leadership observes an employee performing superior work. Sarin and Mahajan (2001) found that the performance dimensions which are not affected uniformly by the reward structure should encourage the practitioners to examine some currently accepted theories and practices. This indicated that suitable reward strategy development is very essential to organizations. Lee and Wong (2006) argues that reward have an impact on the company’s innovation performance.

### Labor markets and employee turnover

According to the international society of hospitality consultants (IHSC), a shrinking labor force is a leading challenge facing the hospitality industry globally. The labor pool for the Hospitality industry often consist of skilled and unskilled employees. The highly skilled workers are harder to find and are highly vulnerable as they seek better opportunities. Employees in this industry’s competence depends on the skills that they have achieved. Sarah k and Waudo (2012) argues that the quality of the services offered in the hospitality industry depends on the competence in this skills. Jobs in the hospitality industry are viewed as means rather than the end. Deloitte(2004) in a report on employee demographic changes, state that the number of skilled 15-29 years old entering the job market is steadily shrinking while the population continues to age in both developed and developing countries. This issue added to rising globalization has led to increase in the strain of firms human resources. Kimosop (2007) argues that the best way to cope with employee turnover is to tap the internal labor market. She suggests that it is important for organizations to consider strengthening the social ties in the organization to promote organizational loyalty. By enhancing the development of social ties among key employees, companies can often reduce turnover among workers especially the highly skilled. CIPD (2005) presents several factors explaining what employees quit. Accordingly, it is the attraction of a new job or the prospect of a period outside the workforce which ‘pulls’ them while on other occasions they are ‘pushed’ due to dissatisfaction in their present jobs to seek alternative employment. However, sometimes it is a mixture of both pull and push factors at play. It further claims that a lot of people are just waiting for the right opportunities to leave. CIPD argues that in cases where it is relatively easy to find and train new employees quickly and at relatively little cost. It is possible to sustain high quality levels of service provision despite having a high turnover rate.

### Organizational performance

Hendry (2012) explains that performance is a multi-faceted organizational concept which cannot be measured using a single measurement tool. Updhaya et al (2014) points out that though organizational performance can be perceived on the ‘wholeness’ of goals achievement, it is important to focus on specific areas such as financial, product markets and shareholders returns which can be summed to determine the overall outcome in the organization. According to Muhammad et al (2014) measuring performance in an organization is necessary as it seeks to assess the value that employees bring into the organization, the impacts that the inputs in an organization has on the processes and activities within the organization play a central role in determining the strategic outcomes within the organization which is determined by the achievement of mission, vision, financial position and goals within the organization.

### Financial performance

Achieving optimal financial performance is one of the key performance goals in every organization as indicated by Armstrong and Armstrong (2011). High staff turnover within organizations has been empirically found to have negative effects on the financial performance of organizations. According to Muhammed et al (2013), replacing employees can cost an organization three times more than the value that the employees will contribute to the organization within a year. This is because the new employees need to be trained as the outgoing employees are compensated based on the reasons behind them leaving the organization. With inexperienced staff members as a result of high employee turnover within an organization, low profits or to a great extent losses because the newly acquired employees tend to be less efficient in their jobs while consuming a lot of resources through training. As a result, Kirby (2005) explains that staff turnover may not be healthy for an organization financially as inexperienced employees are categorized by inefficiencies and high expenses. Moreover, high rates of employee turnover leads to the overall reduced financial performance within the organization. (Ellickson, 2002). It can therefore be argued that, financial performance is usually negatively affected by high staff turnover in organizations.

### Product development and innovations

The competence of the workforce within an organization is identified by talent management alliance (2013) to be among the key factors that determine the success of the new product development and innovations within the organizations. A study conducted by Clark and Harcourt (2000) in New Zealand’s banking industry, it was found that firms that have experienced high dynamic and innovative product line experienced low staff turnover than their counterparts who do not prioritize in product development. This indicates that, staff turnover interferes with product development efficiency and innovations within organizations. This is because inexperienced employees struggle with innovative creations unlike the experienced employees who come up with new and more innovative product models because they are used to their work. It can therefore be argued that, high staff turnover in organizations adversely affects new product development and innovations within the organization.

### Productivity and efficiency

The rate of production per unit of time defines productivity (Munsaka, 2014). According to Muhammad et al (2013), employees who are experienced in producing a particular unit of output use less energy in producing the unit within a shorter period of time than non-experienced ones. This implies that, high staff turnover which leads to large number of inexperienced employees within an organization can greatly affect productivity within the organization. Although Updhaya et al (2014) argues that, employees’ skills and competence is the key determinant in productivity regardless of the length of period the employee has been working. A study conducted by talent management alliance (2013) in manufacturing sector in Saudi Arabia revealed that employees with lower job tenure struggled with achieving production goals than their experienced counterparts. As such it can be argued that high staff turnover impacts negatively on productivity within the organization. The concept of efficiency can also be linked with productivity in the sense that, it is determined by the ratio of energy used and the total output produced (Updhaya et al, 2014). Efficiency is also associated with stage within organizations. A study conducted by Updhaya et al (2014) found that new employees in organizations tend to be wasteful because they are not used to the activities and processes within the organization. On this basis, it can be argued that high employee turnover negatively impacts on the efficiency of employees in their jobs which affects their performance.

### Theoretical framework

**The expectancy theory of motivation**

This theory was proposed by victor vroom of Yale school of management in 1964. Vroom stresses and focuses on outcomes and not needs unlike Maslow and Herzberg. The theory states that the intensity of a tendency to perform in a particular manner is dependent on the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome of the individual. The expectancy theory states that employees’ motivation is an outcome of how much an individual wants a reward (valence). An outcome’s valence depends on an individual’s needs (Kreitner and Kiniki, 2001). The assessment that the likelihood that the effort will lead to expected performance (expectancy) and the belief that the performance will lead to reward (instrumentality).he argues that valence is the significance associated by an individual about the expected outcome. It is an expected and not the actual satisfaction that an employee expects to receive after achieving the goals’ expectancy is the faith that better efforts will result in better performance. Expectancy is influenced by factors such as possession of appropriate skills for performing the job, availability of right resources, availability of crucial information and getting the required support for completing the job. Instrumentality is the faith that if you perform well, then a valid outcome will be there. Instrumentality is affected by factors such as believe in the people who decide, who receives what outcome, the simplicity of the process deciding who gets what outcome and the clarity of relationship between performance and outcomes. Thus, the expectancy theory concentrates on the following three relationships:

Effort- performance relationship. What is the likelihood that the individual’s effort be recognized in his performance appraisal?

Performance- reward relationship, it talks about the extent to which the employee believes that getting a good performance appraisal leads to organizational rewards.

Rewards- personal goals relationship. It is all about the attractiveness or appeal of potential rewards to the individual.

Vroom argues that employees consciously decide whether to perform or not at the job. This decision solely depended on the employees’ motivation level which in turn depends on three factors of expectancy, valence and instrumentality. The limitations of this theory includes, the theory being idealistic because there is quite few individuals who perceive high degree correlation between performance and rewards. The application of this theory is limited as reward is not directly correlated with performance in many organizations. It is related to other parameters also such position, effort, responsibility and education.

**The two factor theory**

This theory was proposed by Fredrick Herzberg (1959). The two factors that Herzberg recognizes can be said to affect either turnover or employees retention in an organization. It is for this reason that this study is ground by this theory. In this theory, there are certain factors in the workplace that causes job satisfaction, while a separate set of factors cause dissatisfaction. Thus, satisfaction and dissatisfaction are not only continuum with one increasing as the other diminishes although there are quite independent phenomena. Motivation and job satisfaction are divided into two groups of factors known as motivation and hygiene factors. Hygiene factors are the ‘job context’ factors which are external to the employee and to the job. They includes company policy, nature of supervision, relationship with the supervisor, working conditions, grievance and performance appraisal procedures, relationship with peers, salary and renumeration.They are negative job conditions which are the source of dissatisfaction. These are the extrinsic factors controlled by someone other than the employee and they are difficult to control (peter et al 2006). If these factors are controlled well, they help mitigate dissatisfaction but Herzberg argues that none of these factors will motivate people or lead to satisfaction. Motivation factors are the ‘job context’ factors including achievement, recognition, work itself, responsibility, advancement and possibility of growth that give positive satisfaction arising from intrinsic conditions of the job itself. Peter et al (2006) argues that motivation factors are not dispensed by any superior, instead each employee controls and administer them personally as no person can give another satisfaction that comes from accomplishing a particular challenging job. If an employer hopes to increase job satisfaction and ultimately job performance for an employee, then they need to address those factors that affect one’s satisfaction. The best way is to work on the intrinsic job content factors otherwise called motivation factors. The weaknesses of this theory are that there is no comprehensive measure of satisfaction used. An employee may find his job acceptable despite the fact that he may hate or object to a part of his job. This will therefore not conform to the dictates of the theory. The two factor theory can be said to be biased as it is based on the natural reaction of employees when asked the sources of satisfaction and dissatisfaction at work. It is obvious that the workers will blame dissatisfaction on the external factors such as salary structure, company policies and peer relationship while they still are not motivated at their jobs(bright,2008).another common criticism is the fact that the methodology was not scientifically sound. The theory assumes a strong correlation between job satisfaction and productivity but the methodology did not address this relationship (Northouse, 2010). This theory suggests that to improve job attitudes and productivity and probably reduce employee turnover, managers should recognize and attend to both sets of characteristics not to assume that the increase in satisfaction will lead to decrease in dissatisfaction. If adopted properly, this theory can assist managers achieve competitive edge through reduction of turnover.

The two theories recognize the importance of the input of both the management and the individual employee in helping to curb unwanted turnover. The theories argues that if management considers the needs of the employees, prioritize in satisfying them and create a self-motivated approach to activities in their organizations on the part of the employees, turnover will reduce considerably

### CONCEPTUAL FRAMEWORK

INDEPENDENT VARIABLES DEPENDENT VARIABLES

MOTIVATION

Recognition

Empowerment

Achievement

COMPENSATION

Employee productivity

Reward strategy

**Figure 1**

LABOUR MARKETS

Labor demand

Labor supply

ORGANISATIONAL PERFORMANCE

Financial performance

Product development and innovations

Productivity and efficiency

The conceptual framework shows the relationship between the independent and dependent variables. The employees’ motivation has a great impact on organizational performance. Recognition, empowerment and achievement are ways of enhancing motivation among employees in an organization. Compensation includes the salaries and wages, paid overtimes and other gains that an employee gets. When employees feel that their hard work is compensated, they are willing to work in that organization. This reduces the levels of employee turnover. Organizational performance is highly dependent on the employees as they are essential in production of goods and services.

# CHAPTER THREE: RESEARCH METHODOLOGY AND DESIGN

##### Chapter introduction

This chapter entails the research design, sources of data, target population, the sampling techniques and sample size, instruments of data collection and data analysis.

##### Research design

Research design is the blueprint that maps how research data will be collected, measured and analyzed (cooper and schindler, 2014). Research design is essential as it enables the researcher to effectively allocate the limited resources where they are needed most. The study will use 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. Close ended and open ended questionnaires will be used to provide a representative sample from the large population of hotel employees in the study. According to Mugenda and Mugenda (2003) survey research design is 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 valuables.

##### Population and sampling design

**3.3.1 Target population**

The study population will comprise of a total of 345 employees of Sarova Stanley hotel in Nairobi from various organizational departments. The study population refers to the total collection of elements which one would like to study. The study will consider only the permanent employees as they could provide informative details regarding their work. Saunders et al (2012) defines a research population as the total collection of subject or elements about which a researcher wishes to make reference and draw conclusions.

**3.3.2 Sampling design**

Sampling is defined as the process of selecting a number of individuals for a study in such a way that they represent the larger group form which they are selected (cooper and schindler, 2012). Cox and Hassard (2010) define sampling design as the roadmap that guides how sampling for a study will be conducted. In this study, sample design includes sample frame and sample size.

**3.3.3 Sampling technique**

The study used stratified random sampling technique in selection of the sample elements. In this technique, the population can be divided into several mutually exclusive sub populations or strata, the process by which the sample is constrained to include fundamentals from each of the segments is called stratified random sampling. It has three main benefits, it increases a sample’s statistical efficiency, provides adequate data for analyzing the various subpopulations enabling different research methods and procedures to be used in different strata. (Cooper and schindler, 2011). The study population will be segmented on the basis of various department of Sarova Stanley hotel. They comprise of front office, food production, food and beverage service, housekeeping, accounts, maintenance and security departments. This will ensure representation across the various departments.

**3.3.4 Sampling frame**

The sampling frame for this study will consist of 345 employees from various departments of Sarova Stanley hotel. According to cooper and Schindler (2011) a sampling frame is a list of elements from which the sample is actually drawn which is closely related to the population. A sample frame represents the comprehensive list of study subjects from which the research draws a sample size (cooper and schindler, 2014). The study will adopt a sample frame from Sarova Stanley hotel human resource offices.

|  |  |  |
| --- | --- | --- |
| Staff | Total population | 12% |
| Directors | 8 | 1 |
| Managers | 12 | 2 |
| Supervisors | 35 | 4 |
| Heads of department | 40 | 5 |
| Employees | 250 | 30 |
| Total | 345 | 42 |

**Figure 2: Sampling frame**

**3.3.5 Sample size**

According to Ramenyi et al (2003), a sample size of between 10% and 20% is considered adequate for detailed or in depth studies. Cooper and Schindler (2012) define the sample size as a smaller set of the larger population. They argue that the sample must be carefully selected to ensure representativeness. In line with the already chosen sampling procedure and working from the sampled population, a sample size of 20 %( 70respondents) will be picked for the study.

##### Data collection tools and methods

According to cooper (2014), data collection is the systematic gathering of data using a specified specific process. The study will use questionnaires with close ended questions to obtain data from the respondents based on the objectives of the study. The close ended questionnaires are useful in restricting responses to the desired areas (Mugenda and Mugenda, 2013).A questionnaire is a list of questions on a specific topic complied by the researcher to which answers and information are required (Fox and Bayat, 2010). Questionnaires can be administered orally as the researcher records the responses to each items independently. The researcher will deliver the questionnaires physically and the respondents given ample time to respond. This study will focus on the use of primary data which will be collected from the target sample. The researcher will also use interview schedules to collect data. Questionnaires and interview schedules will be the appropriate tool for this study as the researcher is interested in the respondent’s views, opinions and attitudes.

##### Validity and reliability

Validity is the accuracy, soundness or effectiveness with which an instrument measures what it is intended to measure. The researcher will enhance the instruments validity by discussing the chosen instrument with the supervisor to ascertain the research instruments. Reliability is the measure of the degree to which research instruments yield consistent results after repeated trials. Shuttleworth (2012) stated that in test retest method, the instrument is administered at two different times and the correlation between the two sets of scores computed. The researcher will use the test retest method, it will done by administering the same instrument to the same respondents more than once.

##### Data analysis and presentation

The study is aiming at assessing the impacts of employee turnover on the organizational performance. The data obtained from the study will be entered into a computer. It will be subjected to statistical package for social sciences (SPSS). The results of the analysis will be presented in tables and charts. Descriptive statistics such as mean and percentages will be used to summarize the raw data. The Pearson product moment correlation will be used to show the relationship between employee motivation, compensation and employee turnover. The purpose of data analysis is to reduce accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques (cooper and schindler, 2011).

##### Ethical considerations

The researcher will acquire an official permit to conduct the research from the ministry of higher education through Maasai Mara university school of tourism and natural resource management. In addition, a formal permission will be sought from Sarova Stanley hotel through the human resource manager. The researcher will ensure that respondent’s confidentiality will be highly maintained and the information provided in the questionnaires will be only used for academic purposes only.

# CHAPTER FOUR

###### CHAPTER INTRODUCTION

In this chapter the researcher will discuss the research results and findings. The researcher analyzed the data based on the questionnaires and the research objectives. The researcher distributed 42 questionnaires to the respondents in this study. All of the questionnaires were returned which gave 100% response rate. The researcher analyzed data based on the research objectives and the questionnaires.

###### General information

In this section, the researcher asked the respondents about some basic information. These are some of the results that the researcher found.

**4.2.1 Respondent’s gender**

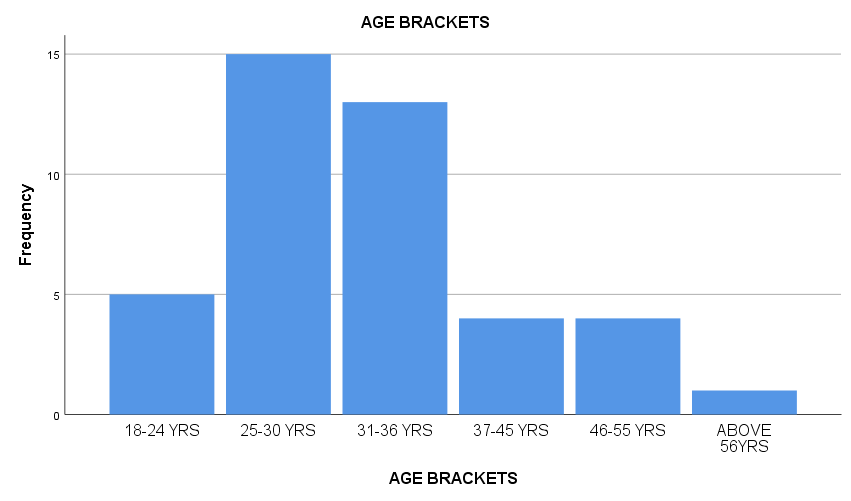
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| The respondent’s gender response rate was male (54.8%) and female (45.2%) as illustrated in table 4.1  **GENDER OF RESPONDENTS** | | | | |
|  | | Frequency | Percent |
| Valid | MALE | 23 | 54.8 |
| FEMALE | 19 | 45.2 |
| Total | 42 | 100.0 |

Table 4.1

Source: researcher, 2018

**4.2.2 Respondent’s age**

In the general information, the researcher also wanted to know the respondent’s age. The findings were that the respondents whose age was between 25-30 years had the highest percentage of (35.7%) with a frequency of 15 while those between 31-36 years had (31%) with a frequency of 13, those between 18-24 years were (11.5%) with a frequency of 9, between 37-45 years they were (9.5%) with a frequency of 4, those between 46-55 were( 9.5%) with a frequency of 4 while those at 56 years and above had the lowest percentage of (2.4%) with a frequency of 1. This is illustrated in the figure below.



**Figure 3: Respondents age brackets**

Source: researcher, 2018

**4.2.3 Respondent’s marital status**

The researcher sought to know the respondent’s marital status where those married had the highest percentage of (54.8%), the single had (31%), those who were divorced had (7.1%), and the widowed were (2.4%) while the separated had the least number of (4.8%). This is shown in the figure below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **RESPONDENTS MARITAL STATUS** | | | | | |
|  | | Frequency | Percent |
| Valid | SINGLE | 13 | 31.0 |
| MARRIED | 23 | 54.8 |
| DIVORCED | 3 | 7.1 |
| WIDOWED | 1 | 2.4 |
| SEPARATED | 2 | 4.8 |
| Total | 42 | 100.0 |  |

Table 4.2 respondent’s marital status

Source: researcher, 2018

**4.2.4 Respondents’ level of education**

When the respondents were asked about their levels of education, it was found that, those who had studied up to college led with a frequency of (19), those at the university level had (16), those with master’s degrees had (5) and those with high school certificate had (2). This is illustrated in the figure below.

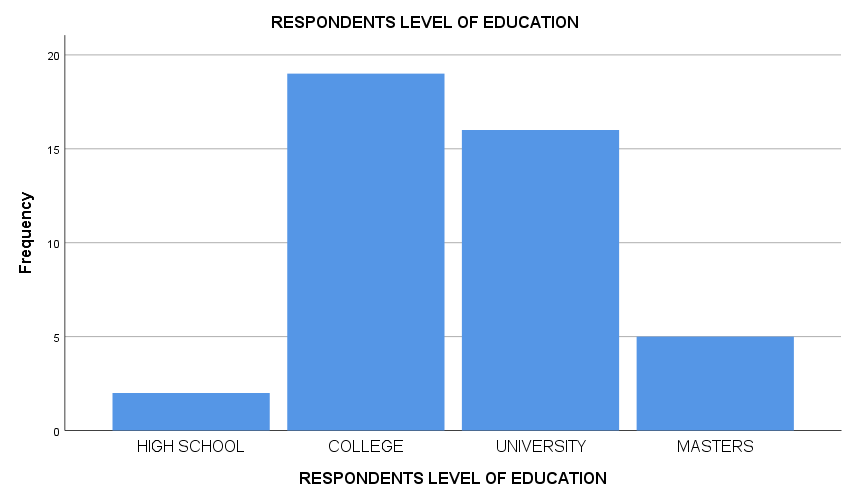


Figure 4.2 respondent’s level of education

Source: researcher, 2018

**4.2.5 Respondent’s employment level**

On the employment levels, the respondents with the highest percentage were the general employees

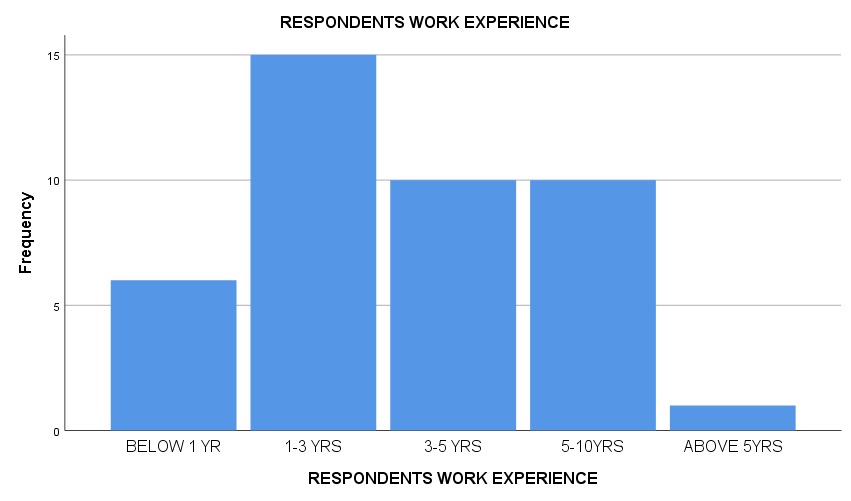
With (76.2%), the heads of departments had (7.1%), supervisors had (9.5%), and managers had (4.8%) while directors had a (2.4%). This is illustrated in the table below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **RESPONDENTSLEVEL OF EMPLOYMENT** | | | | |
|  | | Frequency | Percent |
| Valid | DIRECTOR | 1 | 2.4 |
| MANAGER | 2 | 4.8 |
| SUPERVISOR | 4 | 9.5 |
| HEAD OF DEPARTMENT | 3 | 7.1 |
| GENERAL EMPLOYEE | 32 | 76.2 |
| Total | 42 | 100.0 |

Table 4.3 respondent’s employment level

Source: researcher, 2018

4.2.6 Respondents number of years at Sarova Stanley

On the number of years that the respondents have worked with Sarova Stanley hotel, those that have worked between 1-3 years had the highest frequency of (15), those who have worked for less than one year had (6), between 3-5 years had a frequency of (10), between 5-10 years had a frequency of (10) while those above 5 years had a frequency of (1).This is shown in the figure below. 

**Figure 4: respondent’s number of years at Sarova Stanley**

###### Employees’ motivation

The researcher sought to know whether employees’ motivation had an impact on the employees’ turnover. The findings are as follows:

**4.3.1 Recognition for work**

When the researcher was asked whether they receive recognition for their work, (33.3%) strongly agreed, those who agreed were (40.5%), while (16.7%) were neutral and (9.5%) disagreed. This is illustrated in the table below4.4 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **RECOGNITION** | | | | |
|  | | Frequency | Percent |
| Valid | DISAGREE | 4 | 9.5 |
| NEURTAL | 7 | 16.7 |
| AGREE | 17 | 40.5 |
| STRONGLY AGREE | 14 | 33.3 |
| Total | 42 | 100.0 |

Table 4.4 recognition for work

Source: researcher, 2018

**4.3.2 Confidence and technical skills**

The researcher sought to know if the respondents had confidence and technical kills in doing their duties. Those who agreed were (45.2%), (7.1%) were neutral while (47.6%) strongly agreed. This is indicated in the table 4.5 below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CONFIDENCE** | | | | |
|  | | Frequency | Percent |
| Valid | NEUTRAL | 3 | 7.1 |
| AGREE | 19 | 45.2 |
| STRONGLY AGREE | 20 | 47.6 |
| Total | 42 | 100.0 |

Table 4.5 confidence and technical skills

Source: researcher, 2018

**4.3.3 Motivation**

The respondents were asked if they are motivated to do their duties when they feel that their efforts contribute to achievement of the organizational goals. Majority of the respondents agreed that they were motivated, they had (47.6%), those who agreed were (42.9%), those who were neutral were (7.1%) and those who disagreed were the least with a (2.4%). Tis is illustrated in the table below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **MOTIVATION** | | | | | |
|  | | Frequency | Percent |
| Valid | DISAGREE | 1 | 2.4 |
| NEUTRAL | 3 | 7.1 |
| AGREE | 20 | 47.6 |
| STRONGLY AGREE | 18 | 42.9 |
| Total | 42 | 100.0 |  |

Table 4.6 motivation

Source: researcher, 2018

**4.3.4 Trust of managers and other staffs**

The researcher sought to know whether the trust that the managers and other staffs at Sarova Stanley had affected the employees motivation. Majority agreed and they had (52.4%), (21.4%) strongly agreed while (16.7%) were neutral, those who disagreed were (2.4%) while those who strongly disagreed were (7.1%). This is indicated in the table 4.7 below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **TRUST** | | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 3 | 7.1 |
| DISAGREE | 1 | 2.4 |
| NEUTRAL | 7 | 16.7 |
| AGREE | 22 | 52.4 |
| STRONGLY AGREE | 9 | 21.4 |
| Total | 42 | 100.0 |  |

Table 4.7 trust of managers and staffs

Source: researcher, 2018

**4.3.5 Promotion opportunities**

When the respondents were asked about the existence of promotional opportunities in Sarova Stanley hotel, (40.5%) agreed, (38.1%) strongly agreed while (11.9%) were neutral, (7.1%) disagreed while (2.4%) strongly disagreed. This is shown in table 4.8 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PROMOTION** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 1 | 2.4 |
| DISAGREE | 3 | 7.1 |
| NEUTRAL | 5 | 11.9 |
| AGREE | 17 | 40.5 |
| STRONGLY AGREE | 16 | 38.1 |
| Total | 42 | 100.0 |

Table 4.8 promotion opportunities

Source: researcher, 2018

**4.3.6 Responsibilities**

The researchers ought to know whether the responsibilities that employees at Sarova Stanley have been given affected their motivation. Most of the respondents agreed (42.9%),(26.2%) strongly agreed while (19%) were neutral, those who strongly disagreed were (7.1%) and those who disagreed were (4.8%). This is illustrated in table 4.9 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **RESPONSIBILITIES** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 3 | 7.1 |
| DISAGREE | 2 | 4.8 |
| NEUTRAL | 8 | 19.0 |
| AGREE | 18 | 42.9 |
| STRONGLY AGREE | 11 | 26.2 |
| Total | 42 | 100.0 |

Table 4.9 responsibilities

Source: researcher, 2018

**4.3.7 Achievements**

The researcher asked whether the achievements that employees made at Sarova Stanley hotel enhanced their motivation. The respondents who agreed were, (50%), the respondents who strongly agreed were (35.7%), while those that were neutral were (4.8%), those who disagreed were (4.8%), and those who strongly disagreed were (4.8%). This is indicated in table 5.0 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ACHIEVEMENTS** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 2 | 4.8 |
| DISAGREE | 2 | 4.8 |
| NEUTRAL | 2 | 4.8 |
| AGREE | 21 | 50.0 |
| STRONGLY AGREE | 15 | 35.7 |
| Total | 42 | 100.0 |

Table 5.0 achievements

**4.3.8 Other factors affecting employees’ motivation**

The respondents also sought to know about other factors that could influence employees’ motivation. The various factors that the respondents came up with include:

The hotel should enhance team building, there should be harmonization of allowances, initiation of job rotation, flexible working hours, respect of all staffs and their involvement in decision making, fairness in job promotions employer benefits cover, equal distribution of service charge and offering reliable transport services during night shifts.

###### Employees’ compensation

When the employees were asked if they felt compensated for their work, those who strongly agreed were (31%), majority agreed which was (42.9%), those who were neutral were (7.1%), those who disagreed were (11.9%) while the least strongly disagreed, they were (7.1%).this is indicated in table 5.1 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **COMPENSATION** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 3 | 7.1 |
| DISAGREE | 5 | 11.9 |
| NEUTRAL | 3 | 7.1 |
| AGREE | 18 | 42.9 |
| STRONGLY AGREE | 13 | 31.0 |
| Total | 42 | 100.0 |

Table 5.1 compensation

Source: researcher, 2018

**4.4.1 Salary**

When the researcher asked the employees of Sarova Stanley hotel if their salaries are paid in time, the results were that those who agreed were 20 which gave (47.6%), those who strongly agreed were 9 which was (21.4%), while neutral had 7 which was (16.7%), those who disagreed were 4 which gave (9.5%), those who strongly disagreed were 2 which was (4.8%). This is indicated in the figure 4.4 below.

#### 

**Figure 5: salary**

#### 

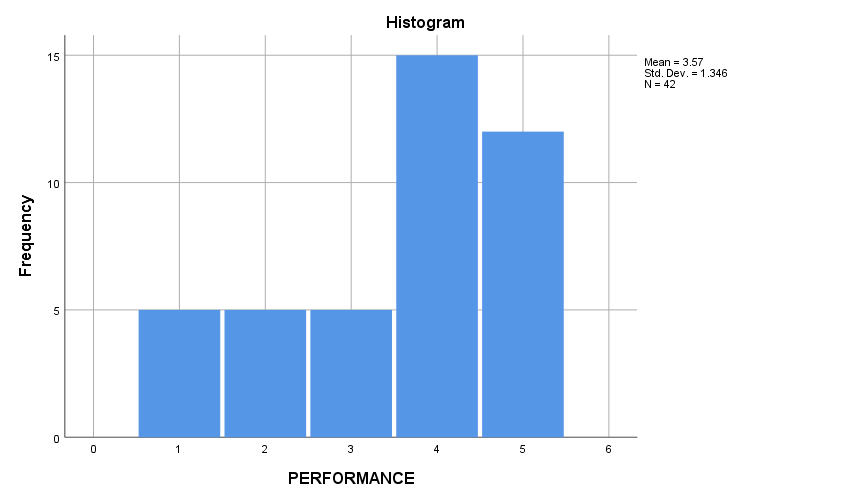
**4.4.2 Salary linked with work done**

The researcher sought to know if the respondents’ salary was linked to the work that they did. (2.4%) of the respondents disagreed that their salary was inked to the work done, (7.1%) of the respondents indicated that they neither agreed nor disagreed, (54.8%) of the respondents agreed that their salary was linked to the work that they did while (35.7%) indicated that they strongly agreed that their salary was linked to the work done. This is illustrated in the table 5.2 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **WORK DONE** | | | | |
|  | | Frequency | Percent |
| Valid | DISAGREE | 1 | 2.4 |
| NEUTRAL | 3 | 7.1 |
| AGREE | 23 | 54.8 |
| STRONGLY AGREE | 15 | 35.7 |
| Total | 42 | 100.0 |

Table 5.2 salary linked to work done

Source: researcher, 2018

Improve performance if salaries are increased

**Figure 6: improve performance**

Source: researcher, 2018

Figure 6 shows results obtained when the respondents were asked if their performance would improve if their salaries were increased. Those who agreed were 15 (35.7%), those who strongly agreed were 12(28.6%), those who neither agreed nor disagreed were 5 (11.9%), the respondents who disagreed were 5(11.9%) which was similar to those who strongly disagreed 5(11.9%).

**4.4.4 Leaving the organization**

When the respondents were asked if they would leave Sarova Stanley hotel in case they got other more paying jobs, (2.4%) strongly disagreed, those who disagreed were (7.1%) while those who agreed that they would leave the organization were (33.3%), and those who strongly agreed were (50%). This is indicated in table 5.3 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BETTER JOB** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 1 | 2.4 |
| DISAGREE | 3 | 7.1 |
| NEUTRAL | 3 | 7.1 |
| AGREE | 14 | 33.3 |
| STRONGLY AGREE | 21 | 50.0 |
| Total | 42 | 100.0 |

Table 5.3 leaving the organization

Source: researcher, 2018

**4.4.5 Allowances**

The researcher sought to know whether the respondents are paid allowances. The results obtained were that, (14.3%) strongly disagreed that they are paid allowances, (11.9%) disagreed while (11.9%) were not sure if they are paid allowances, and (40.5%) which was the majority agreed that they are paid allowances while (21.4%) strongly agreed. This is indicated in table 5.4 below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ALLOWANCES** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 6 | 14.3 |
| DISAGREE | 5 | 11.9 |
| NEUTRAL | 5 | 11.9 |
| AGREE | 17 | 40.5 |
| STRONGLY AGREE | 9 | 21.4 |
| Total | 42 | 100.0 |

Table 5.4 allowances

Source: researcher, 2018

**4.4.6 Annual bonus**

When the researcher asked the respondents whether they’re paid annual bonuses based on their performance, the results obtained were that, (38.1%) agreed that they are paid bonus based on their performance, (26.2%) strongly agreed while (11.9%) were neutral, (11.9%) disagreed and those who strongly disagreed were (11.9%). This is indicated in table 5.5 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **BONUS** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 5 | 11.9 |
| DISAGREE | 5 | 11.9 |
| NEUTRAL | 5 | 11.9 |
| AGREE | 16 | 38.1 |
| STRONGLY AGREE | 11 | 26.2 |
| Total | 42 | 100.0 |

Table 5.5 annual bonuses

Source: researcher, 2018

**4.4.7 Increase salaries**

When the respondents were asked whether they would advise the organization to increase the salaries as to will improve the organizational performance. The results were that, majority strongly agreed (50%), those who agreed were (42.9%), and neutral were (2.4%), those who disagreed were (2.4%) while the remaining (2.4%) strongly disagreed. This is as shown in table 5.6 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SALARY INCREASE** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 1 | 2.4 |
| DISAGREE | 1 | 2.4 |
| NEUTRAL | 1 | 2.4 |
| AGREE | 18 | 42.9 |
| STRONGLY AGREE | 21 | 50.0 |
| Total | 42 | 100.0 |

Table 5.6 salary increase

Source: researcher, 2018.

**4.4.8 Compensation on overtimes and holidays**

The researcher sought to know if the respondents are compensated during over times and holidays. The results that were obtained were that, the majority agreed (42.9%) that they are compensated on overtimes and working during holidays. Those who strongly agreed were (38.1%), neutral were (4.8%), those who disagreed were (9.5%) while those who strongly disagreed were (4.8%).this is shown in table 5.7 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **OVERTIME** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 2 | 4.8 |
| DISAGREE | 4 | 9.5 |
| NEUTRAL | 2 | 4.8 |
| AGREE | 18 | 42.9 |
| STRONGLY AGREE | 16 | 38.1 |
| Total | 42 | 100.0 |

Table 5.8 overtime and holiday payment

Source: researcher, 2018.

**4.4.9 Recommend someone to work with Sarova Stanley**

When the researcher sought to know if the respondents would recommend someone to work at Sarova Stanley, the results obtained were that, (45.2%) of the respondents strongly agreed that they would recommend someone to work there, (47.6%) respondents agreed that they would recommend someone to work with Sarova Stanley hotel while (4.8%) neither agreed nor disagreed, (2.4%) strongly disagreed to recommend someone to work at Sarova Stanley. This is indicated in the table 5.6 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **RECOMMEND** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DIAGREE | 1 | 2.4 |
| NEUTRAL | 2 | 4.8 |
| AGREE | 20 | 47.6 |
| STRONGLY AGREE | 19 | 45.2 |
| Total | 42 | 100.0 |

Figure 5.7 recommend

Source: researcher, 2018

###### Labor market

**4.5.1 Confidence of leaving the job**

The researcher sought to know if the respondent was confident that if they left the job, they will get another one. The researcher obtained the following results, (59.5%) agreed that they were confident that if they left their job, they would find another one, (23.8%) strongly agreed that they would find a job if they left Sarova Stanley, (11.9%) neither agreed nor is agreed that they would find another job while (2.4 %) disagreed, (2.4%) strongly disagreed. This is illustrated in the table 5.8 below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **LEAVE JOB** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 1 | 2.4 |
| DISAGREE | 1 | 2.4 |
| NEUTRAL | 5 | 11.9 |
| AGREE | 25 | 59.5 |
| STRONGLY AGREE | 10 | 23.8 |
| Total | 42 | 100.0 |

Table 5.8 confidence of leaving the job

Source: researcher, 2018

**4.5.2 Work experience**

The researcher asked the respondents if work experience is required in their jobs. The results obtained were that, (33.3%) strongly disagreed that work experience was not required at their jobs, (42.9%) disagreed, (7.1%) were neutral while (9.5%) agreed that work experience was not required at their jobs, (7.1%) strongly agreed that work experience was not required at their jobs .This is as shown in the table 5.9 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **WORK EXPERIENCE** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 14 | 33.3 |
| DISAGREE | 18 | 42.9 |
| NEUTRAL | 3 | 7.1 |
| AGREE | 4 | 9.5 |
| STRONGLY AGREE | 3 | 7.1 |
| Total | 42 | 100.0 |

Table 5.9 work experience

Source: researcher, 2018

**4.5.3 Dream job**

The researcher sought to know whether the respondents had their dream jobs. The results obtained were that, the majority agreed that they had their dream jobs (42.9%), (11.9%) strongly agreed while (14.3%) were neutral, (26.2%) disagreed that they had their dream jobs and (4.8%) strongly disagreed. This results are shown in table 6.0 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DREAM JOB** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 2 | 4.8 |
| DISAGREE | 11 | 26.2 |
| NEUTRAL | 6 | 14.3 |
| AGREE | 18 | 42.9 |
| STRONGLY AGREE | 5 | 11.9 |
| Total | 42 | 100.0 |

Table 6.0 dream job

Source: researcher, 2018

**4.5.4 Available vacancies**

The respondents south to know if the vacancies available in the hotel were many than the people seeking them. The results were that, (38.1%) disagree that the vacancies available at Sarova Stanley were more than the people seeking them, (23.8%) strongly disagreed that vacancies available were more than those seeking them, (11.9%) were neutral, (11.9%) agreed that vacancies available were many than those seeking them, (14.3%) strongly agreed that the vacancies available at the hotel were more than the people seeking them. This is as shown in the table 6.1 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **VACANCIES** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 10 | 23.8 |
| DISAGREE | 16 | 38.1 |
| NEUTRAL | 5 | 11.9 |
| AGREE | 5 | 11.9 |
| STRONGLY AGREE | 6 | 14.3 |
| Total | 42 | 100.0 |

Table 6.1

Source: researcher, 2018

**4.5.5 Hospitality industry is among the best industries**

The researcher asked the respondents if the hospitality industry was among the best industries that could work in. the results that he got were that, (45.2%) agreed that the hospitality industry was among the best industries one could work in, (4.8%) neither agreed nor agreed, (14.3%) disagreed that the hospitality industry was among the best industries to work in,(33.3%) strongly agreed,(2.4%) strongly disagreed that the hospitality industry is among the best the industries to work in. this is shown in table 6.2 below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **HOSPITALITY INDUSTRY** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 1 | 2.4 |
| DISAGREE | 6 | 14.3 |
| NEUTRAL | 2 | 4.8 |
| AGREE | 19 | 45.2 |
| STRONGLY AGREE | 14 | 33.3 |
| Total | 42 | 100.0 |

Table 6.2 hospitality industry

Source: researcher, 2018

**5.5.6 Changing job**

When the researcher asked the respondents f they would consider changing their jobs, the results found were that, the majority (28.6%) neither agreed nor disagreed to change their jobs,(26.2%) agreed that they can change their jobs while (26.2%) disagreed that they can change their jobs, (4.3%) strongly agreed that they can change jobs while (4.8%) strongly disagreed. This is illustrated in the table 6.3 below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CHANGING JOB** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 2 | 4.8 |
| DISAGREE | 11 | 26.2 |
| NEUTRAL | 12 | 28.6 |
| AGREE | 11 | 26.2 |
| STRONGLY AGREE | 6 | 14.3 |
| Total | 42 | 100.0 |

Table 6.3 changing job

Source: researcher, 2018

**5.5.7 Changing industry**

The researcher sought to know if the respondents would change the industry that they work in. the results obtained were that, (31%) agreed that they would change the industry, (16.7%) strongly agreed that they would change the industry while (19%) were neutral, (26.2%) disagreed that they can change their industry while (7.1%) strongly disagreed that they can change the industry. This is shown in the table 6.4 below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CHANGING INDUSTRY** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 3 | 7.1 |
| DISAGREE | 11 | 26.2 |
| NEUTRAL | 8 | 19.0 |
| AGREE | 13 | 31.0 |
| STRONGLY AGREE | 7 | 16.7 |
| Total | 42 | 100.0 |

Table 6.4 changing industry

Source: researcher, 2018

5.6 organizational performance

5.6.1 Employee motivation affects organizational performance

The researcher asked the respondents whether employee motivation affects organizational performance. The results obtained were that, (61.9%) strongly agreed that employee motivation affects organizational performance, (33.3%) agreed that employee motivation affects organizational performance while (4.8%) neither agreed nor disagreed. This is shown in table 6.5below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **EMPLOYEE MOTIVATION** | | | | |
|  | | Frequency | Percent |
| Valid | NEUTRAL | 2 | 4.8 |
| AGREE | 14 | 33.3 |
| STRONGLY AGREE | 26 | 61.9 |
| Total | 42 | 100.0 |

Table 6.5 employee motivation

Source: researcher, 2018

**5.6.2 Employee motivation has an impact on employee absenteeism**

When the respondents were asked whether employee motivation has a direct impact on the employees’ absenteeism, the results obtained were that, the majority agreed (61.9%), those who strongly agreed were (33.3%) while those who were neutral were (4.8%).this is shown in table 6.6 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ABSENTEEISM** | | | | |
|  | | Frequency | Percent |
| Valid | NEUTRAL | 2 | 4.8 |
| AGREE | 26 | 61.9 |
| STRONGLY AGREE | 14 | 33.3 |
| Total | 42 | 100.0 |

Table 6.4 employee motivation having an impact on employee absenteeism.

Source: researcher, 2018

**5.6.3 Reward system having an impact on employees’ productivity**

When the respondents were asked if the reward system at Sarova Stanley hotel had an impact on the employees’ productivity, the result were that, the majority agreed (45.2%), (31%) strongly agreed while (21.4%) neither agreed nor disagreed, (2.4%) disagreed. This is shown in table 6.5 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **REWARD SYSTEM** | | | | |
|  | | Frequency | Percent |
| Valid | DISAGREE | 1 | 2.4 |
| NEUTRAL | 9 | 21.4 |
| AGREE | 19 | 45.2 |
| STRONGLY AGREE | 13 | 31.0 |
| Total | 42 | 100.0 |

Table 6.5 reward system

Source: researcher, 2018

**5.6.4 Link between employee turnover and organizational performance**

The researcher sought to know if there was a link between employee turnover and organizational performance. The results that were obtained were that, (50%) agreed that there is a link between employee turnover and organizational performance, (38.1%) strongly agreed, (7.1%) neither agreed nor disagreed, (2.4%) disagreed while (2.4%) strongly disagreed. This is indicated in table 6.6 below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **EMPLOYEE TURNOVER** | | | | |
|  | | Frequency | Percent |
| Valid | STRONGLY DISAGREE | 1 | 2.4 |
| DISAGREE | 1 | 2.4 |
| NEUTRAL | 3 | 7.1 |
| AGREE | 21 | 50.0 |
| STRONGY AGREE | 16 | 38.1 |
| Total | 42 | 100.0 |

Table 6.6 employee turnover link with organizational performance.

Source: researcher, 2018.

**5.7 recommendations on curbing employee turnover**

The various recommendations that the respondents gave on ways to curb employee turnover includes: improving the work environment, salary standardization, staff recognition, periodic appraisal ,the need for fairness on job opportunities, ensuring that the staff appraisal is attached to monetary value and rewards for good management.

# CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

1. Chapter introduction

This chapter will discuss the research findings as presented in chapter four and conclusions made thereof. The chapter also presents recommendations which will help to find in the gaps which were identified in the study.

1. Summary of the Findings

The purpose of carrying out this study was to establish the impacts of employee turnover on organizational performance. The first section examined the employee motivation, the second section examined the employees’ compensation, the third section sought to know the hospitality labor market while the last section examined the organizational performance. The study adopted a descriptive survey design where the researcher used a stratified sampling technique. The population of the study was 345 with a sample size of 42.the respondent’s rate was (100%). On the general information, the gender of the workers was a balance with males (54.8%) and female (45.2%). The findings show that most of the respondents were married (54.8%), majority of the respondents’ level of education was in college, a frequency of 19. (76.2%)were general employees while those who had worked at Sarova Stanley for (1-3years) had a highest number The first section examined whether employee motivation which affected their turnover which had an impact on the organizational performance. The various components that were examined in this section were recognition, employee confidence and technical skills, trust of managers and other staffs which showed to have a great impact on the employees’ motivation. The findings show an existing relationship between employee motivation, their turnover and the organizational performance. In the second section, the researcher determined the employee’s compensation which was a key contributor to the employee turnover which affected the organizational performance. The findings of the study shows that there was an existing relationship employee compensation, employee turnover and organizational performance. The researcher focused on employees paid allowances, salaries being linked to work done and paid overtimes and holidays. In the third section, the researcher sought to examine the hospitality industry labor market. The findings show that the labor market has determined the employees’ tendency to quit their jobs in the hospitality industry.

1. Discussion of the findings

According to Kalimullah et al (2010), managers have a special responsibility for creating a motivating climate and for making every effort to enrich work for their employees. According to Mudor and Tookson(2011), desire to achieve the set target is the motivation that makes most employees to perform efficiently and be good at something within the organization as the employee realizes that his or her efforts are worth much more by the organization. The findings of this study show that employee recognition played a big role in their motivation and enhance their attachment to the organization. Majority of the employees agreed that they were more motivated to do their duties when they felt that their efforts contributed into achievement of the organizational goals. This shows that there is a correlation between employee’s motivation and organizational performance. The study indicated that employee productivity affects employee motivation. This is because employee motivation leads to increased productivity. The study also found that employee turnover affects their motivation. In cases of high turnover in an organization, the employees tend to feel insecure with their jobs which in turn affects their performance, and organizational performance in overall. In the questions on compensation, the findings were that, majority of the employees did not agree that salary was linked with the work done. The study also found that there existed significant relationship between employee performance and aid bonuses and allowances. Harrington and ladge, (2011) argued that bonuses just like paid leaves motivate employees to higher levels of motivation. Managers should therefore have sufficient mechanisms to enhance payment of bonuses and allowances. The employees feel honored and valued by their organization when they are offered a generous pay out for bonus and allowances such as medical and house allowances. Most employees (59.5%) agreed that they can look for jobs somewhere else if given a chance. This indicates that employees’ compensation has a great impact on employee leaving an organization. On the labor markets (42.9%) agreed that prior training is required for jobs in the hospitality industry. An organization cannot just employ unskilled employee and expect enhanced performance. The employees should have the ability to perform in order to enhance the organizational performance. On the organizational performance, majority of the workers believed that there is a link between employee turnover and organizational performance.

# CONCLUSION

The study sought to establish the impacts of employee turnover on organizational performance. The study has established a significant relationship between employee motivation and employee turnover which has a great impact on organizational performance. The study therefore concludes that, the employee’s recognition, trust by managers and other staffs and availability of promotional opportunities enhances employee motivation which reduces the employee levels of turnover. The findings of the study has establish an existing relationship between employees’ compensation and organizational performance. The study therefore concludes that paying salaries on time enhance employee productivity, the employee productivity can improve greatly if their salaries are increased which would lead to high levels of organizational performance. Salaries and wages, paid vacations, paid leaves, travel allowances and bonuses are essential elements of employee compensation. The study found that high employee turnover was caused by low payments in the organization.

# RECOMMENDATION

The management of Sarova Stanley hotel should invest more in building employees’ professional capacity and capabilities which would enhance and build trust in their employees’ ability to perform their duties. This will motivate the employees and also establish sense of achievement that will I turn enhance their productivity. The Sarova Stanley hotel should ensure adequate compensation of employees for the services rendered. They should improve in the trainings offered to the employees which will help to improve their performance. They should also have a good leadership style which recognizes the staff for the jobs that they do. The study further recommends that the organization create a positive work environment that is social friendly for the employees.

# Recommendation for further study

The data was collected from the Sarova Stanley hotel and therefore the findings may differ in other service industries such as banks. The study recommends for the study to be replicated at different industries.

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APPENDIX A: COVER LETTER

Dear respondent,

RE: RESEARCH QUESTIONNAIRE

My name is Teresiah Macharia, a fourth year student at Maasai Mara University. I am currently pursuing a bachelor’s degree in hotels and hospitality management. I am doing a research on the impacts of employee turnover on organizational performance. I am humbly requesting you to fill my questionnaire.

The information that you will provide in this study will be treated with utmost confidentiality and it will only be used for the purpose of the study. Thank you for sparing your time in filling the questionnaire.

Yours faithfully

Teresiah Macharia

RESEARCH APPENDIX B QUESTIONNAIRE

SECTION 1 General information

Kindly respond to the following questions by ticking in the appropriate box

1. What is your gender?

Male ( ) female ( )

2. What is your age bracket?

18-24 years ( ) 25-30 years ( ) 31-36 years ( ) 37-45 years ( ) 46-55 years ( ) 56 and above ( )

3. What is your current marital status?

Single ( ) married ( ) divorced ( ) widowed ( ) separated ( )

4. What is your highest level of education?

High school ( ) college ( ) university ( ) masters ( ) other ( )

5. What is your employment level?

Director ( ) manager ( ) supervisor ( ) head of department ( ) general employee ( )

6. How long have you worked with Sarova Stanley

Below 1 year ( ) 1-3 years ( ) 3-5 years ( ) 5-10 years ( ) above 5 years ( )

SECTION 2 Employees’ Motivation

Kindly answer the following questions using the following likert scale (5=strongly agree, 4=agree, 3=neutral, 2=disagree and 1=strongly disagree

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| a) you receive recognition for your work | 1 | 2 | 3 | 4 | 5 |
| b) you have confidence and technical skills in achievement of your duties |  |  |  |  |  |
| c) I am more motivated to do my duties when I feel that my efforts contribute in achievement of organizational goals |  |  |  |  |  |
| d) the trust that managers and other staffs have in me enhances my motivation |  |  |  |  |  |
| e) the degree to which I believe promotion opportunities exist within the organization has an impact on my motivation |  |  |  |  |  |
| f) the responsibilities that I have been given at my work place affects my motivation |  |  |  |  |  |
| g) the achievements you have made in your job enhances your motivation |  |  |  |  |  |

h) What other factors except the ones named above do you believe have a great significance in affecting employee’s motivation?

……………………………………………………………………………………………………………………………………………………………..

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SECTION 3 Employees’ compensation

Kindly answer the following questions using the following likert scale (5= strongly agree……1=strongly disagree)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| a)you feel compensated for the work that you do | 1 | 2 | 3 | 4 | 5 |
| b) your salary is paid in time which enhances your productivity |  |  |  |  |  |
| c) the salary paid is linked with the work done by an employee |  |  |  |  |  |
| d) your performance will improve if your salary was increased |  |  |  |  |  |
| e) you would leave the organization if you got another job that is paying more |  |  |  |  |  |
| f) you are paid travelling, medical and house allowances |  |  |  |  |  |
| g) you are paid annual bonus which is based on your performance |  |  |  |  |  |
| h) you would advise the organization to increase the salaries as this will improve the organizational performance |  |  |  |  |  |
| I)You are compensated when you work on overtimes and during holidays |  |  |  |  |  |
| j) you would recommend someone to work in this organization |  |  |  |  |  |

SECTION 4 labor market

Kindly answer the following questions using the following likert scale (5= strongly agree…..1=strongly disagree).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| a)I am confident that if I leave this job I will get another one | 1 | 2 | 3 | 4 | 5 |
| b) working experience is not required at this job |  |  |  |  |  |
| c) the job I have is my dream job |  |  |  |  |  |
| d) the vacancies available in this industry are more than the people seeking them |  |  |  |  |  |
| e) the hospitality industry is among the best industries one can work in |  |  |  |  |  |
| f) you would consider changing your job if given a chance |  |  |  |  |  |
| g) you would consider changing your industry |  |  |  |  |  |

h) In terms of satisfaction, how can you rank your job?

Highly satisfied ( )

Satisfied ( )

Not satisfied ( )

I) Give reasons for your answer in (h) above……………………………………………………………………………………………

…………………………………………………………………………………………………………………………………………………………….

SECTION 5 organizational performance (dependent variable)

Kindly answer the following questions using the following likert scale (5=strongly agree…..1= strongly disagree)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| a)I believe that the level of employee motivation affects the organizational performance | 1 | 2 | 3 | 4 | 5 |
| b)The level of employee motivation has a direct impact on the employees’ absenteeism levels |  |  |  |  |  |
| c)The degree of motivation of employees has a great impact on the rate of employee turnover |  |  |  |  |  |
| d)The organization’s reward system has a direct impact on the employees’ productivity |  |  |  |  |  |
| e)There is a link between employee turnover and organizational performance |  |  |  |  |  |
|  |  |  |  |  |  |

f) What recommendation can you give that will help the organization curb the employee turnover levels and in turn improve the organizational performance? ………………………………………………

………………………………………………………………………………………………………………………………….

Thank you very much for sparing your time to fill the questionnaire.