EMPLOYEE RETENTION FACTORS IN THE HOSPITALITY INDUSTRY: A CASE OF THE CARNIVORE RESTAURANT, NAIROBI, KENYA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ___________________________          Date: ___________________________

Whitney Paula Pragassa (ID 630520)

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

Signed: ___________________________          Date: ___________________________

Dr. Joyce Ndegwa

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Dean, Chandaria School of Business
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I acknowledge the presence of my friends, family and God for blessing me with the ability, knowledge and support to carry out this project to completion.

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I would also like to thank the Carnivore restaurant for allowing me to conduct this research project and in so doing enriching my education and knowledge.

Be blessed.
DEDICATION

I dedicate this paper to my family, for their continued support during my study and in preparation of this research paper.
This research project assessed employee retention factors that influence employees to stay with the Carnivore. The study was set to determine whether company culture at Carnivore creates a conducive work environment for personnel. It was set to determine the effect of the remuneration and reward strategies on employees’ decision to continue in employment with the company. Finally, it also aimed to establish the effect of training and development on employee retention.

This study was a descriptive research design for the data collection and analysis of 62 employees although only 60 responded giving a response rate of 93%, which was adequate. The sampling technique used was a consensus for the respondents according to their decision to stay. A questionnaire was used for the employees and the manager. The data collected was processed and analyzed using SPSS to produce the analysis.

An analysis of the first objective findings showed that most respondents agreed that there is team work in the working environment, and that they also understand the company’s vision and mission. The company was also found to have an open door policy, and performance appraisals were conducted fairly. The firm also practices a two way communication with management. Analysis of the second objective findings showed that most respondents agreed that they were concerned about the shareholders return on investment, and informal recognition was just as important as formal recognition. The management was also identified to recognize good work. Analysis of the last objective findings showed that most respondents agreed that the tests administered were relevant to the learning outcomes for the training sessions, and their abilities were fully utilized at each stage of the training program. Most of the respondents agreed that they would recommend this program to someone else, and feedback on assessments was given in good time with the respective supervisor signing off on every stage of the program. It was also revealed that there was adequate time assigned to each training session, with majority being able to understand what was required at each stage of the program.

It was concluded that team work is vital in the working environment and allows for smooth operation of a firm. The company’s vision and mission are well understood and this enables employees to base their effort on meeting the firm’s mission and objectives. From the study carried out on this company it can be concluded the hospitality industry,
can benefit on open door policy, and regular performance appraisals are necessary but they are only beneficial if undertaken fairly. In addition, from the case study of the Carnivore, the hospitality industry shareholders return on investment is an issue given much priority. Recognition is important based on good work. The issues of salaries and fringe benefits, as well as remuneration packages are factors affecting employee retention. The use of tests to gauge learning outcomes for the training sessions, have been fully utilized in the training program. The program has sparked interest in participants especially due to timely feedback off on every stage of the program by supervisors.

The study recommended that the organization needs to maintain team work in order to facilitate smooth operation of the firm. The hospitality industry needs to adopt open door policy in order to address the issues that arise. The management needs to review issues of salary and fringe benefits in order to benefit from increased retention. The company needs to review remuneration packages to make them competitive and adequate. There should be fairness in award selections, and promotions with emphasis on performance based remuneration. The organization should continuously make use of tests to gauge learning outcomes for the training program adopted. Although the program has sparked interest in participants its structure needs to be clearly defined. This research project assessed employee retention practices and the factors that influence employees to stay with the Carnivore. Similar studies should be done in other hotels and restaurants in order to be able to generalize the findings in the hospitality industry.
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ABBREVIATIONS AND ACRONYMS

ANOVA - Analysis of Variances

CBD - Central Business District

CEO – Chief Executive Officer

HRM - Human Resource Management

SD - Standard deviation
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

It is not the technology or the product that makes a company great, it is the people. In today’s competitive world that has qualified candidates who are willing and eager to learn, companies cannot afford to view employees as ‘replaceable’. Should they make the mistake of doing so, they shall simply be putting a behind in a seat in place of a skilled and great employee. This is owed to the fact that there are as many competent candidates as they are incompetent ones. The difference and mistakes in decision making when it comes to hiring and employee turnover shall always, eventually be reflected in a company’s bottom line (King, 2008).

Today’s business leaders should not fool themselves by developing a perspective that talent is replaceable. Organizational leaders that have the notion that one employee can be exchanged with another by simply hiring a different candidate with a greater skill set - a more prestigious pedigree with a fancier academic background or training qualification, are fooling themselves. A company that has trained and developed truly great employees who then carry the organizational values and are well incorporated in to the company cannot be simply replaced. The reason being this is the fact that the individual carries institutional knowledge of the organization. In addition, they have extensive knowledge in the institutions products and services, systems, and process knowledge as well as the know how to grow and hold client relationships that have been nurtured over a number of years. These individuals have with them, the experience they have gained on the best practice and approaches that work for the company. Furthermore and even more importantly, they are aware of the models and strategies that do not work for the organization. Employees that stand out of the crowd have camaraderie and influence over their colleagues that if lost, tends to have an impact on the culture of the corporation (Azim, 2012).

Retention has become an important topic for many reasons. The economy is picking up; young employees want more career growth; the work environment in companies has not kept up with the outside world; management doesn't always understand how to motivate
younger people; and in developing economies the workforce is simply in great demand and the competition for talent is fierce (Azim, 2012).

He further argues that the most efficient way to create a ‘custom fit’ employee for an organization is to develop them from the ground up. This allows for a deeper understanding of the history of the organization and then goes on to embed the vision of the future of the company in to the employee. Training and developing employees to take over key roles in organizations far outweighs the alternative of poaching highly priced employees from other organizations, in the long run (Azim, 2012).

Ultimately the most successful and enduring organizations in business are those that have a common sense of mission, a deep respect for their employees (and customers of course), and put time, energy, and money into building a highly engaging environment. They carefully select the "right people" with lots of hard work, and once people join, they take the time to make sure they have development opportunities to move up the value curve (Pagano, 2005).

The contemporary global economic environment has changed drastically and continues to do so. Social developments such as continuing globalization, technological innovation, and growing global competition place pressure on companies and emphasize their need to maintain their competitive edge. At least in part through maintaining the skills of their employees. Companies have to be able to anticipate technological innovation and be able to compete with other companies worldwide. This need makes important a company’s ability to evolve through the continuous learning and development of the employees (Groen, 2006).

Having and retaining skilled employees plays an important role in this process, because employees’ knowledge and skills have become the key for companies to be economically competitive Therefore, it is important that employers give employees the opportunity to develop and learn such that the workers maintain their capacities as effective employees, resist redundancy, and are retained by their companies (Boam & Sparrow, 2012).

Leaders of the winning organizations understand that employee retention and engagements drives real business outcomes and have mastered how to engage and maintain their workforces. Every business leader worldwide has a responsibility to raise
the bar and truly embrace strategies for sustainable human resource development and training. This significant step is not only key to improving business outcomes, but is also vital to achieving sustainable growth for companies, communities and countries and for getting the global economy back on track toward a more prosperous future (Bates, 2008).

Beyond these economic pressures, companies also face some disturbing demographic changes. The average age of employees in Western countries is increasing constantly. In addition, the workers of the so called baby boom generation are gradually retiring. With the retirement of this generation is a significant loss of skills and other capacities which are not being easily replaced by simply hiring new employees. The ending of the careers of the baby boom generation means that companies lose competence (i.e. knowledge, and skills), all of which are essential in the current economic environment in which companies have to compete (Burke & Ng, 2006).

In Europe, companies expect that the proportional rise in the ageing population will lead to a global competition for the ‘best’ employees. This ‘competition’ will be the most intense in the search for Chief Executive Officers (CEO). CEOs are considered by some to be the most important assets of a company. The fact that the majority of the current CEOs belong to the baby boom generation means that a shortage in the near future is highly likely. Companies with policies that are future oriented and strategic might be aware of this problem and can take action to address it. For instance, they may develop practices to identify, select, develop, and, and retain promising employees in order to ensure the presence of necessary skilled workers who can secure the quality and quantity of the goods or services they provide, and who can maintain their competitive advantage (Dries & Pepermans, 2008).

A large Belgian human resource and payroll company, in 2007 there was an employee turnover rate of approximately 17.46% in Belgium. For employees younger than 25 years, the employee turnover rate was 39% (SD, 2008). This statistic illustrates the fact that the employees of the ‘new’ generation at work do not have/want traditional career within the same company to the same extent as their older colleagues, and possibly have a greater choice in pursuing careers across companies. It follows that companies now have to make increasing efforts to retain their skilled employees. Losing such employees means a loss of investment in that employee and that a new employee has to be recruited and trained.
Moreover, when skilled employees leave a company, they can take a lot of know-how with them, and thus the company is at risk of losing confidential information to competitors (Dries & Pepermans, 2008). The UAE is a federation of seven emirates in the South-Eastern corner of the Arabian Peninsula. The UAE is an important economic hub in the Middle East. In recent years, it has rapidly developed into a dynamic global economy, through the influx of foreign ideas and practices facilitated by the development of the Internet and associated technologies (Alrawi & Sabry, 2009).

Dubai and Sharjah are two emirates which have recently achieved significant economic growth (Wouter & Peter, 2007). Organizations in these two emirates, in particular, have been increasingly exposed to global flows in Human Resource Management (HRM) practices, expertise (local and expatriate), and organizational cultures. The major effects of increasing globalization in these two regions include rising migration of national and international labor, higher rates of staff turnover, lower levels of retention, and clashes between organizational cultures in the workforce (Muhammad, 2008).

Strategic HRM practices in Sharjah, are structured around a dual decision-making system, require employees to be answerable to the governmental authorities of two entities. In other words, if employees intend to carry out training activities, they need to seek approval from both overseeing departments. It is argued that this dual decision-making system leads to inefficient HRM practices, and to delays in decision-making (Pare & Tremblay, 2007). The cost of replacing workers is often underestimated because there are many hidden costs and consequences of labor turnover (Buck & Watson, 2002). High levels of turnover have more than a monetary cost: they also affect the motivation and workplace morale of the employees who remain. In addition to this, retraining new employees has an impact on productivity levels. In order to avoid these negative consequences of employee turnover, it is important to address root causes and implement best practice HRM processes in the UAE (Abbasi & Holman, 2000).

Statistical data on turnover rates for the Emirate of Sharjah show an alarmingly high rate of turnover than in the Emirate of Dubai. One Sharjah public organization, for example, witnessed a 9% turnover in 2006, a figure which increased to approximately 14% in 2007 (Zimmerman & Darnold, 2009). The Sharjah Municipality alone had 402 resignations in 2010, representing 11% of the labor. This was attributed to unfairness in performance
appraisal evaluations, low salaries, and no promotions. As research shows that job satisfaction and organizational commitment are significant to retention in the workforce (Budhwar & Mellahi, 2007; Dole & Schroeder, 2001).

Employee Retention is currently one of the critical issues in organizations in East Africa as a result of changing dynamics and turbulence being experienced in the general work environment as a result of various phenomenon. Such phenomenon being experienced by organizations across the region include massive lay-offs as a result of restructuring and business failures in certain sectors of economies leading to low staff morale and commitment. At the same time new jobs are being created in other sectors as new businesses are created leading to shortages in some professions (Groen, 2006).

Kenya is a developing country situated in the Eastern region of Africa. Three contextual factors are important in interpreting HRM patterns in Kenya: a wide range of ethnic groups; high levels of population growth; and constrained economic development focused mainly in urban areas. Population demographic changes of decreasing new entrants into the workforce and gap between the highly educated and those with very little education have also helped to propel the employee retention issue to the level of being considered as a strategic business issue. In today’s turbulent workplace, a stable workforce becomes a significant competitive advantage and that if an organization has unstable workforce conditions, it’s forced to invest thousands of dollars in recruiting, orienting, training, overtime and supervision which comes right off the organizations bottom-line (Owan, 2004).

1.2 Statement of the Problem

The Carnivore Restaurant had been in existence for 43 years. In that time it had hired hundreds of employees. The Carnivore prides itself in its brand name and invests up to Kshs. 100,000 on each employee it employs to prepare and train them to be able to work effectively and efficiently. Over the past few years however they had seen a wave of employees leaving the company soon after the training. This trend was alarming and needed to be evaluated in order to determine the factors that were affecting employee retention as well as the value the company was losing as a result of its investment in the employees that chose to leave.
1.3 Purpose of the Study

The purpose of this study was to determine the factors that affected employee retention in the hospitality industry.

1.4 Research Questions

1.4.1 What is the role of the company culture on employee retention?
1.4.2 What is the implication of the remuneration and rewards on employee retention?
1.4.3 What is the effect of training and development on employee retention?

1.5 Significance of the Study

1.5.1 The Carnivore Restaurant

The return on investment to the company was yielded back through employees work contribution. Once the employee was confirmed as a permanent staff member, the restaurant started recovering its investment, through his/her work and productivity. The employees that opted to take up employment thereafter in other competing restaurants in the industry would take with them the skills, knowledge and experience acquired from Carnivore. This therefore translated to a direct loss for the company. One of the goals of this study was to ensure the company reduced the loss made to less than 10%.

1.5.2 Human Resource

This study gave the human resource department a deeper more precise outlook on the strengths and weaknesses of their strategic human resource practices. This ensured that there was continuous improvement, value addition and a better understanding of its employees.

1.5.3 Policy Makers

This study gave the policy makers of the industry and the company itself an insight on to how better structure the hospitality work environment strategy model to ensure that the optimum levels of staff retention are achieved.
1.5.4 Future Researchers

This study will provide future researchers with foundation to work from as times change and the industry turbulence shifts and changes the patterns and behavior of the sector as well as the people working in it.

1.6 Scope of the Study

The Carnivore was located in Nairobi, on Langata Road in Nairobi County just outside the Nairobi Central Business District (CBD). The target population for this research study included, 1 restaurant manager, and 61 employees that had chosen to stay with the company over the last five years, not including the employees that had chosen to leave. That brought the total target population to 62 people. The restaurant manager and employees were found at the restaurant located on Langata road just outside the CBD.

All of the target population was anticipated to participate in the study due to the fact that the population was small, manageable and a list of their contacts and location was provided. The study was limited in terms of coverage as it only covered the locations where the targeted population was situated.

1.7 Definition of Terms

1.7.1 Remuneration

Reward for employment in the form of pay, salary, or wage, including allowances, benefits (such as company car, medical plan, pension plan), bonuses, cash incentives, and monetary value of the noncash incentives (Boam & Sparrow, 2012).

1.7.2 Employee Retention

This is an effort by a business to maintain a working environment which supports current staff in remaining with the company. Many employee retention policies are aimed at addressing the various needs of employees to enhance their job satisfaction and reduce the substantial costs involved in hiring and training new staff (Aggarwal, 2013).
1.7.3 Culture

Culture can be defined as the sum total of beliefs, rules, techniques, institutions, and artifacts that characterize human populations (Aggarwal, 2013).

1.8 Chapter Summary

The first chapter of this study contains the background information to the research study, the statement of the problem, the purpose of the study and the research questions this study answered. It also contains the justification, scope and definition of the terminologies used in this study. The second chapter is made up of the literature review. It brings forth a theoretical review of the literature previously done on company culture, remuneration and reward strategies as well as training programs. It was structured according to the research questions and shows the relevance of the reviewed material to the study. The third chapter presents in detail, the research methodology that was used to conduct this study. It presents the research design, population and sampling, data collection methods, research procedures, a thorough analysis of the data collected and a summary. The fourth chapter contains the results and findings of the study. The fifth chapter presents the discussion, conclusions, and recommendations for action and further research.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The second chapter of this project addressed the review of literature that existed on company culture, reward and remuneration strategies and training and development and its effect on employee retention. This chapter delved deeper into the three key factors affecting employee retention. The first was the role of the company culture on employee retention. Second, the implication of the remuneration and reward strategies on employee’s decision to continue on with the company. Third, how the training program affects employees decision to continue with employment in the restaurant.

2.2 The Role of Company Culture on Employee Retention

Corporate culture is defined as the system of publicly and collectively accepted meanings operating for a given group at a given time. Hofstede's description of corporate culture as the psychological assets of an organization, which can be used to predict what will happen to its financial assets in five years’ time (Dessler, 2015).

An organization is both formal and informal entity. The formal aspect of an organization is its official structure and public image visible in organization charts and annual reports. The informal organization is a more elusive concept, describing the complex network of psychological and social relationship between its people. The informal organization is an unrecognizable world of cliques and politics, friendships and enmities, gossip and affairs (Dessler, 2015).

People are a company’s greatest resource, and the way to manage them is not directly by computer reports, but by the subtle cues of a culture. Borrowing from this statement, the way to train and keep employees is to ensure the company culture at Carnivore creates a conducive work environment that allows for already identified and certified talent to stay on and add value to the company’s bottom line and overall brand image in the hospitality industry (Deal & Kennedy, 1982).
2.2.1 Corporate Culture and Organization Types

The club culture: Typical of a small company, is an informal culture focused on the owner. The leader is all. This form of culture is suitable for new ventures needing strong personalities and fast responses (Kaufman & Hotchkiss, 2006).

Role culture: Hierarchal with an organization chart portraying an orderly set of job boxes (roles). Individuals are less important than the roles they fill. A role culture is managed not led, with a formal communication system. Such a culture is best for stable, unchanging organizations with routine tasks. There is a strong tendency to adopt the role culture with increasing size, leading to a mechanistic, bureaucratic organization (Kaufman & Hotchkiss, 2006).

Task culture: The main focus is on groups such as project teams. Organization is based on trust and respect and geared to plans not procedures. This is a problem solving environment - exciting and challenging but expensive to run. Work is based on projects. There is little job security: staff leaves when tasks are finished. The person culture: This radically different and suited to professionals who are self-managing and require minimal structure or supervision. The focus is on talent and professional expertise management has low status. This is reflected in non-managerial titles such as dean. Such a culture is best suited for professional practices and educational establishments (Kaufman & Hotchkiss, 2006).

It has been argued that remodeling an organizations norms, attitudes and social values in order to achieve a culture based on core ethical values is a worthy objective (Appelbaum & Shapiro, 2006). Zablow (2006) also supports the notion of creating an ethical workplace by remodeling corporate culture. People are promoted, appraised and rewarded according to management perception of their acceptance of core values. Hence the view in the Deal and Kennedy approach and much other corporate culture literature is that culture can be created and managed from the top. In this respect it is a departure from older ideas about informal organizations which are more closely aligned to the view that an organizational culture emerges from social interaction. In fact, the literature appears to transfer culture from the informal to formal organization. As such it becomes the property of management and open to manipulation on their part. This has become the underlying logic for major change initiatives in large organizations (Liou & Nyhan, 2006).
The following question has been posed ‘If senior managers seek to manage ‘organizational culture’, what exactly is it they are seeking to manage? Legge (2004). It can be distinguish, therefore that between corporate culture and as it is presented in most of literature, and organizational culture. The former reflects the view that culture is something which an organization ‘has’, the latter that an organization ‘is’ (Smircich, 1983). The idea of a small ‘official’ corporate culture floating on top of a multicultural informal organization is mirrored earlier in the classification of cultures. Senior management typically form a dynamic club culture that they believe to be universal in the organization where-as, in reality, it sits uncomfortably on top of a depressed antipathetic role of culture. From the managerial point of view, therefore, culture is a major variable to be influenced rather than to be managed (Crawshaw, Budhwar & Davis, 2014).

The concept of organizational climate, the prevailing ‘atmosphere’ in an organization, has been highlighted as an important mediation element in the transmission of culture. For example, it was found that organizational climate partially mediated the effect of culture in hospitality institutions where staff retention is an ongoing problem. Both elements impacted on job satisfaction and commitment and work attitudes significantly predicted one-year staff turnover rates (Aarons & Sawitzky, 2006).

2.2.2 Corporate Culture Approaches

2.2.2.1 The Gap Approach

In the literature, more and more attention has been paid to the learning and working climate. The distinction between workplaces adopting a ‘gap’ and an ‘appreciative’ approach has been made. In a company with a ‘gap’ approach in terms of organizational culture and development (i.e., a gap between the skills needed and those available in the workplace), change and development happen because a problem needs to be solved (Verheijen, 2005).

This gap approach emphasizes what is wrong or what does not function well in the organization, constituting a deficit model. It is based on the assumption that organizations are machines and, consequently, broken parts can be fixed or replaced. To solve problems employees are retrained from less skilled to more skilled, so that the organizational goals which were formulated in advance can be fulfilled. It is assumed that everyone can
become somewhat competent in almost everything, and that weak points give the most opportunities to grow (Verheijen, 2005).

Problems can be fixed by following a step-by-step plan consisting of four parts. Firstly, a problem is identified; an actual need has to be experienced. Secondly, a thorough analysis of the possible causes is undertaken. Thirdly, possible solutions are explored, and, finally, an action plan is developed. This approach often leads to short-term solutions and often misses important topics, thereby causing new problems and worsening the initial situation. Therefore, a deficit attributed to skill shortages is to be redressed by a linear rational approach to skill development focusing on skills rather than the employees’ vocations (Visser, 2001).

### 2.2.2.2 The Appreciative Approach

The appreciative approach is based on the assumption that the basis for the desired future is already present within the company. It is a person-centered approach, and is in contrast to the gap approach, which assumes that weak points can be transformed into strong points. The appreciative approach focuses on positive topics (Van der Haar & Hosking, 2004).

Employees appear to participate more actively and fully when they can do more of what they are good at and are interested in. Moreover, when applying an appreciative approach, a feeling of continuity is intended to arise in ways that avoid negative reactions and indifference. When employees are directly involved in organizational development, their participation is likely to increase. This participation contributes to the durable character of the organizational culture and development and may arise from a continuous dialogue between employees concerning their mutual future, which enhances cooperation and team spirit (Bouwmans, 2006).

Five key distinctions can be made between the gap and the appreciative approaches. The first distinction is related to the selection procedure. The appreciative approach is interested in future employees’ strengths that can make the company stronger, while the gap approach looks for a match between the shortages in the company and the competence of the future employees. A second distinction concerns the development of the organization and the individual, and the motives for change. The appreciative
approach focuses on what can make employee retention: organizational and personal perspectives company successful. Individuals are supported in following their interests and in further developing their strengths in so far as they broadly contribute to the company. Within the gap approach, a problem that prevents the accomplishment of the organizational goals is the reason for change. Training of employees is possible only when there is a shortage in competence or skills (Bouwmans, 2006).

The third distinction is related to the way problems are solved within the company. The appreciative approach allows and even desires employees to take the initiative, while the gap approach relies on already existing rules and procedures. The appreciation of employees is a fourth area where the two approaches can be differentiated. The appreciative approach appreciates employees for their strengths and initiative, while the gap approach appreciates employees for fulfilling the expectations of the company. The final distinction concerns the degree of stimulation of reflection by the organization and the content of those reflection processes. When these reflection processes focus on deficiencies, the gap approach is more dominant within the organization. The appreciative approach focuses more on the strengths of the employees and is more directed towards new opportunities. In summary, an appreciative learning and working climate contributes positively (Bouwmans, 2006).

In summary, an appreciative learning and working climate contributes positively to employee retention because it makes people feel acknowledged for their strengths and it creates possibilities to develop people’s qualities. This approach is consistent with what Dewey (1916) proposed about the importance of having a personal trajectory as part of the concept of vocation. The gap approach may lead to a decrease in motivation and engagement on the part of the employees and, thus, reduce employee retention. It has to be noted that, in particular, the way employees perceive and experience the working and learning climate is found to be important for their retention (Verheijen, 2005).

2.3 The Implication of Remuneration and Rewards on Employee Retention

The term reward management covers both strategy and practice of payment systems. Traditionally, human resource or personnel sections have been concerned with levels and schemes of payment whereas the process of paying employees – the payroll function- has
been the responsibility of the finance departments. There is trend towards integrating the two, driven by computerized packages offering a range of facilities (Bartlett, 2001).

2.3.1 Types of Payment Schemes and Their Effects

There are two basic types of pay schemes, although many organizations have systems that include elements of both: Fixed level of pay: Wages and salaries that do not vary from one period to another except by, defined pay increases, generally on annual basis. There may be scales of pavement determined by age, responsibility or seniority. Most ‘white collar’ jobs were paid in this way until recently (Bartlett, 2001).

Reward linked to performance: The link may be daily, weekly, monthly or annualized. Payment for any one period varies from that for any other period, depending on quantity or quality of work (Bartlett, 2001). Both methods work, provided the scale are easy to understand and the methods of measuring completed work are overt, accurate and fair. However, there has been considerable dissatisfaction with management of pay on both sides of employment relationship (Bartlett, 2001).

Pay is the main reason why people work. In the USA the term ‘compensation’ is used to encompass everything received by an employed individual in return for their work. The reward or compensation that people receive for their contribution to an organization includes monetary and non-monetary components. Remuneration does not simply compensate employees for their efforts – it also has an impact on the recruitment and retention of talented people (Boam & Sparrow, 2012).

How important is pay? It has been observed that management journals present claims about pay importance that are inconsistent with research about the actual motivational effects to pay. In general there appears to be a consistent (but incorrect) message to managers that pay is not a very effective motivator and employee retention tool – a message that if believed could cause management to seriously underestimate the motivational potential of a well-designed compensation system (Rynes, Gerhart & Minette, 2004).

They argue that most surveys of motivating factors are misleading because employees tend to give ‘socially desirable’ responses that place pay well down the list of motivators. They consider that pat is the most important motivator and cite meta-analytic evidence (Rynes, Gerhart & Minette, 2004). Despite its importance, motivation and employee
Retention goes beyond pay. A positive relationship has been demonstrated between the perceived characteristics of the complete compensations system and extrinsic motivation and retention. Intrinsic motivation, on the other hand, was not affected by the design of monetary compensation, but by promotion opportunities. It was also found that the compensation system significantly affected work satisfaction and turnover intent (Herpen, Praag & Cools, 2005).

The US Chambers of Commerce survey of employee benefits includes a number of remuneration options; Share of legally required payments, retirement and savings plan payments, life insurance and death benefit payments, medical and medically related payment benefits. Payments for time not worked (e.g. paid sick leave, paid vacations, paid parental leave), miscellaneous benefit payments (including employee discounts, severance pay, educational expenditure and child care) (Rosserbloom, 2001).

Paid time off is still the most common benefit for employees in US private organizations. According to the Bureau of Labor Statistics, US Department of Labor, paid vacations were available to 80 per cent of employees and paid holidays to 77 per cent of employees in private industry during the year 2000, The data comes from the National Compensation Survey (NCS), which provides comprehensive measures of occupational earnings, compensation cost trends and details of benefit provisions (Boam & Sparrow, 2012).

2.3.2 Perspectives on Consequences of Pay Decisions

In order for a company to have deeper insight on the types of systems of payment that have the greatest positive effect for the organization as a whole, the following factors must be identified and understood; the business strategy, national culture, competitive environment, and employee characteristics, and conceptual framework, or theory. As an organization examines the implications it must recognize there is a multi-faceted concept that could include at a minimum, cost, productivity, innovation, quality, financial, and attitudinal dimensions. For every organization and across different strategic business units within those organizations the relativity of the importance held by each of these of these contributing factors shall vary. Theories have been used to demonstrate how pay models and strategies can be used to motivate, channel, and control employee behavior and decisions. (Yaniv & Farkas, 2005).
2.3.2.1 Reinforcement and Expectancy Perspective

Reinforcement theory states that a response followed by a reward is more likely to recur in the future (Thorndike's Law of Effect). Employee retention rates are higher when there is proportional payout and management of compensation coupled with a merit based financial reward. The action and reaction of the elements stated, is said to be true the other way around where by lower retention rates in an organization follow non-competitive levels of compensation followed by little of no merit based financial rewards. The theory emphasizes the importance of a person actually experiencing the reward (Legge, 2004).

Similar to the theory of reinforcement, the expectancy theory is centered around the link between rewarding patterns and models and employee turnover rates. The only distinct difference is that expectancy theory is based on the expected, not the actual experienced reward and motivation tools such as incentives (Legge, 2004).

2.3.2.2 Equity Theory and Agency Perspective

Equity theory suggests that employee perceptions of what they contribute to the organization, what they get in return, and how their return contribution ratio compares to others inside and outside the organization, determines how fairly they perceive their employment relationship to be. It was seen that employees who perceive inequity are highly inclined to take actions to restore equity and ‘rebel’ against the perceived injustice. Unfortunately, these actions are either resigning, lack of cooperation or lower performance levels, which end up not ‘teaching’ the organization (Aarons & Sawitzky, 2006).

The agency theory focuses on the disparate goals and interests of the organization's stakeholders, and the various ways that can align employee compensation to them. With most stockholders far removed from day-to-day operations, so called agency costs (i.e. costs that arise from the interests of the principals/owners and their agents/managers not converging are created. What is best for the agent/manager may not be best for the owner. Examples of agency costs would be spending money on corporate jets that do not add value to the company, but may enhance the manager's prestige rather than seeking to maximize shareholder wealth (Barret & O'Connell, 2001).
In addition, the fact that managers and shareholders may differ in their attitudes toward risk gives rise to agency costs. Shareholders can diversify their investments (and thus their risks) more easily than managers can diversify risk in their pay. As a consequence, managers may prefer relatively little risk in their pay (e.g., high emphasis on base salary, low emphasis on uncertain bonuses or incentives). Indeed, research shows that managerial compensation is more often designed in this manner (Bartlett & O’Connell, 2001).

Agency costs also stem from differences in decision-making horizons. Especially where managers expect to spend little time in the job or with the organization, they may be more inclined to maximize short-run performance (and pay), perhaps at the expense of long-term success (Green et al., 2000).

Agency theory is also of value in the analysis and design of non-managers' compensation. In this case, the divergence of interests may exist between managers (now in the role of principals) and their employees (who take on the role of agents). In designing managerial or non-managerial compensation, the key question is, "How can such agency costs be minimized?" Agency theory says that the principal must choose a contracting scheme that helps align the interests of the agent with the principal's own interests (i.e. reduces agency costs). These contracts can be classified as either behavior-oriented (e.g. merit pay) or outcome-oriented (e.g. stock options, profit sharing, commissions) (Yaniv & Farkas, 2005).

Outcome-oriented contracts seem to be the obvious solution. If profits are high, compensation goes up. If profits go down, compensation goes down. The interests of "the firm" and employees are aligned. An important drawback, however, is that such contracts increase the amount of risk borne by the agent. Furthermore, because agents are averse to risk, they may require higher pay (a compensating wage differential) to make up for it (Yaniv & Farkas, 2005).

Behavior-based contracts, on the other hand, do not transfer risk to the agent, and thus do not require a compensating wage differential. However, the principal must be able to monitor with little cost what the agent has done. Otherwise, the principal must either invest in monitoring/information or structure the contract so that pay is linked at least partly to outcomes (Yaniv & Farkas, 2005).
The type of contract an organization should use depends partly on the three factors. The first being risk aversion. Risk aversion among agents makes outcome-oriented contracts costlier. The second is outcome uncertainty: profit is an example of an outcome. Linking pay to profits (outcome-based contract) is more costly to the extent that profits vary and so there is a risk of low profits. Third is job programmability: as jobs become less programmable (i.e., less routine and less structured), and more difficult to monitor, outcome-oriented contracts become more likely (Yaniv & Farkas, 2005).

2.3.3 Strategic Reward and Remuneration Model and Approach for Positive Organizational Outcome

In today’s business environment, it is essential to develop new ways of understanding reward and the contemporary employee. It is essential that reward strategies be firmly centered around the realities in the business in order for them to be effective. This then requires that the model of choice for institutions’ reward and remuneration be directly linked to the company’s business strategy. It is essential that the employees’ needs as well as the needs of organizations be equally included (The Hayworth Group Total Reward Framework, 2008).

Despite its importance, reward and remuneration ends up being a poorly managed aspect of today’s organization structure. For most institutions, this aspect takes up 10-70% of total costs incurred. This therefore affirms that indeed, rewards and remuneration must not be ignored, especially in today’s turbulent times. It is therefore paramount that the programs organizations have in place be effective. In addition, it is essential that the programs reflect and address the present needs of the organization and its employees as well as the needs of both in the future. Moreover, the likelihood of the success of a model depends on how closely it is tied to company strategy and business (The Hayworth Group Total Reward Framework, 2008).

The Hayworth Total Reward Framework enables organizations to attain optimal reward and remuneration levels, regardless of the conditions faced. It begins with strategy as a focal point – and it is centered around total reward. This encompasses financial measures as well as non-financial rewards. An essential aspect of this model is that it takes into account not only the needs of the company but the employee’s needs as well. This allows it to be an even and balanced approach that ensures the company’s interests are
addressed, in tandem with keeping employees engaged and motivated. This unique quality makes it a holistic approach that is especially during turbulent times. It allows organizations to do more with less. The key to ensuring a framework translates into bottom-line results by prioritizing and effecting a strong implementation plan (The Hayworth Group Total Reward Framework, 2008).

**Figure 2.1: Hay Group Total Reward Framework**

In order for programs to be optimally formulated and implemented, management must work closely with key decision makers in the organization alongside financial professionals. This leads to a deep understand the organizations business strategy, business model, key performance indicators (KPIs) and employee demographics. This becomes the foundation for review and development of the institutions reward architecture (The Hayworth Group Total Reward Framework, 2008).

An institution must begin my carefully examining the current remuneration program that is in place and gauge the extent that it aligns with the business strategy, the HR strategy and the reward strategy. Secondly, decision makers must fully understand the economics and business priorities of the organization as well as understand the employee demographics. They must go further and decipher the different needs of different
employee groups within the company. This is done through conducting employee surveys in order to determine which reward program features deliver the most value to them. This must then be compared to the actual and message the current organizations reward program give about each element. This information is then used to establish the extent to which it aligns with reward strategy (The Hayworth Group Total Reward Framework, 2008).

The employees base salary plans are then developed in line with requirements of the business requirements and reward strategy. Organizations must model outcomes and costs of alternative program designs and models in order to allow management to capture the bigger picture as well as explain the potential cost and accounting implications the strategy (The Hayworth Group Total Reward Framework, 2008).

2.4 Training and Development and its Effect on Employee Retention

With the high levels of competition in today’s business environment, training and development has risen up the ladder of importance for companies that aim at having a competitive advantage. There is significant debate among professionals and scholars as to the effect that training and development in organizations has on both the employee and organizational goals. On one hand, the school of thought holds firm that training eventually leads to an increase in employee turnover, as it makes them more marketable and knowledgeable. While the other school states that training is a tool that can lead to higher levels of employee retention and commitment to the organization (Colarelli & Montei, 1996). Regardless of where one falls within this debate, most professionals agree that employee training is a complex human resource practice that has a significant impact on a company’s success.

2.4.1 Role of Training and Development

The training industry as a whole has shown significant growth through the years. Statistics indicate that investment in training is continuing to grow as more and more companies realize its importance. In 1995, $7.7 billion was spent on the wages and salaries of in-house company trainers and $2.8 billion was spent on tuition reimbursement (Frazis, Gittleman, Horrigan, & Joyce, 1998).

The American Society for Training and Development found that in 2004, the average annual training expenditure per employee was $955, which is an increase of $135 per
employee from the previous year. The number of formal learning hours per employee also rose from 26 hours in 2003, to 32 hours in 2004. As the investment in various training programs continue to rise, it becomes even more imperative for employers to understand the impact that training has on their organization Glance, Hogg & Huberman (2005),

Training and development programs enhance employee performance. Learning experiences, training, performance management, and mentoring are various learning and development techniques used to elicit positive actions based on the career aspirations and ages of the participants (Carless, 2007). Assessment, training, and development and evaluation are the three steps in a training program. The assessment helps lay the foundation for the training and understand the goals for it. Once the objectives are determined, the training helps the employee accomplish these goals. Finally, the evaluation helps understand how the training has helped the employee and provides for the next assessment phase (Cascio, 2006).

The presence of training programs, which are unrelated to an employee’s field or are random in nature will make employees lose faith in the value of training, and they may not take future job related programs seriously. Any training program should be based on the job profile and requirements of the position, and the tasks that are to be done by each employee. A functional team person sent for technical training may not be able to apply it practically; training programs must correspond to the needs of the job (Cascio, 2006).

2.4.2 Impact of Training and Development

Training and development translates in to costs incurred by the company. Most programs are lengthy and can have considerable impact on the company’s resources and finances. The first type of training related costs are direct costs that may encompass factors such as the program instructor salary or fee, materials and follow-up supervision and analysis fees. The second type of training related costs are indirect costs. Worker output and productivity during and upon completion of the training are examples of these costs. It is expected that once employees have been trained and the program is concluded, the productivity and output of the workers increases, which is beneficial to the company. For the employee the increase in productivity and output should translate into higher wages and opportunities for career advancement. In general, a company will compare the costs
against the expected returns of training to determine the amount of investment required (Kaufman & Hotchkiss, 2006).

Generally, the higher the chance of employee turnover, the less willing a company will be to make an investment. A company loses all of its investment should an employee terminate the relationship upon completion of training. As a result, employers have very important decisions to make in regards to the level of investment they are willing make in training. Training duration, specificity, relevance, payment options, and training location are all things that employers must consider while developing a training program (Cowling & Mailer, 2010).

Previous studies have been carried out to examine on the effect that training and development as well as workplace education programs have on different institutions. The study included an analysis of numerous outcome variables that may be achieved through training. Some of the variables that were studied were; employee performance, wages and salaries, productivity and output, satisfaction, motivation, and absenteeism. These variables are commonly scrutinized in the training and development literature. This paper seeks to move away from the frequently assumed training outcomes and focus more on the relationship of training and employee retention (Owens, 2006).

The importance of ensuring employee retention following training may lie in the strategic approach that is utilized. Companies have alternative approaches to achieve organizational goals and objectives through a variety of human resource strategies. One such approach is known as the commitment strategy. This strategy is aimed at developing psychological bonds between the company and its employees with the objective of ensuring that the trained employees choose to remain with the company, post-training. The idea is to implement strategies that create a sense of identity to the company and as a result fosters commitment and loyalty to the company. Training that is geared towards increasing employee commitment may serve to counter the numerous direct and indirect costs associated with employee turnover (Arthur, 1994; Scholl, 2003).

2.4.3 Effect of Training and Development on Retention

Investments in human capital especially through personnel training are considered increasingly important for the success of the organizations. The benefits of training have
been well-documented. Training improves employee productivity, for example, training decreases wastages, accidents and absenteeism. Rather than focusing on empowerment, employers need to train the work force effectively to improve employee job performance. The most specific benefits of training and development is that it is best seen as an incentive to enhance employee retention, especially to keep those who have ambition to seek career advancement in their work. Nowadays most of the employees are eager for the chance to learn new things so that they can take new responsibilities. Training can motivate the employee and build organizational commitment and loyalty as training make them realize the organization is helping them to achieve their career goal (Owens, 2006).

When retention rates are low, extra time and money are spent on recruiting, selecting and training new employees that could have been spent on other activities like performance improvement or career development of employees. Therefore given the critical importance of employee retention to the performance and survival of organizations, human resource professionals are expected to regularly reevaluate their existing reward strategies, company culture and training and development programs, to ensure that they address the employees’ preferences for improved motivation, commitment and retention (Glance & Huberman, 2005).

Organizations that invest in and provide general training make the participants feel like "insiders". The sense of being an insider is displayed in the employee’s exertion of more effort, improved work ethic, increased productivity and lesser likelihood that he or she will quit. Once an employee is hired in an organization, training is typically the first human resource practice that organizations offer to the new hire. Training plays an integral role in the socialization process for many employees. Employees enter the employment relationship with many expectations and desires. When these expectations and desires are fulfilled, the employee is able to better identify with the company, resulting in a more committed employee. In turn, when a training program fails to meet these expectations, there is usually a negative attitude change. These unmet expectations can lead to a decrease in commitment and a greater likelihood of turnover (Bebchuk, 2003).

Training that seeks to improve employee investment and helps the employee identify with the organization will enhance the overall employee’s commitment to the company and, in turn, reduce an employee’s turnover intent. This ultimately results in an organization that
is better able to retain its workforce. Training and development proves to be an important tool that can help companies reduce employee turnover to a great extent. Training serves as a motivator for an employee’s commitment level to the organization. Investing in its people gives a positive impression to the employee that the organization is concerned about their careers and advancements (Fisher & Lovell, 2009).

Training builds an opportunity for personnel to find growth while remaining in the same organization that has invested in them. Organizations must consider training as an input which results in a greater return from an employee. The role of supervisors here is very important, as they should unfreeze the old concerns of employees through positive approach by communicating aggressively about the benefits of training. It has been observed in several organizations that where training was being conducted, the employees felt more secure about their jobs, had higher positivity, better productivity and ultimately showed commitment towards the organization by remaining part of it (Fisher & Lovell, 2009). Training is a tool that can assist organizations in building a more committed and productive workforce. By helping to establish employee investment, reciprocity, identification, and by limiting alternative employment options, an effective training program can lead to greater commitment and less employee turnover. The result is an organization that is more productive, professional and wholly committed to its success (Bates, 2008).

2.5 Chapter Summary

This chapter was made up of the literature review. It brought forth perspectives of the importance of employee retention in today’s economy. It further went on to link the effects of key human resource practices that are: company culture, remuneration and rewards as well as training and development to employee turnover rates. It was structured according to the research questions and showed the relevance of the reviewed material to the study. The third chapter presented in detail, the research methodology used to conduct this study. It presented the research design, population and sampling, data collection methods, research procedures, a thorough analysis of the data collected and a summary.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter gave an in depth understanding of the research design, population and sampling design, the sampling frame, sampling technique, sample size, data collection methods, research procedure, data analysis methods and a summary of the chapter.

3.2 Research Design

Research design is the framework for the collection and analysis of data to answer research questions and meet research objectives providing reasoned justifications for choice of data sources, collection methods and analysis techniques (Saunders, Lewis and Thornhill, 2016). It is also known as the blueprint for fulfilling objectives and answering questions (Cooper & Schindler, 2014).

For this study the research design selected was a descriptive survey on a selected case (a restaurant). Descriptive studies and research was carried out to gain an accurate profile of events, persons or situations (Saunders, Lewis & Thornhill, 2016). For this research, a case study was carried out. The reason for selection of a case was that this strategy involves the empirical investigation of a particular phenomenon within its real – life context (Saunders, Lewis & Thornhill, 2016).

A survey was selected for the design of this research because it is a research strategy that involves the structured collection of data from a sizeable population. Although the term survey is often used to describe the collection of data using questionnaires, it includes other techniques, structured observation and structured interviews (Saunders, Lewis & Thornhill, 2016).
3.3 Population and Sampling Design

3.3.1 Population

The total population that was studied for this research was 62 people. This figure included 61 employees of Carnivore restaurant, who had been employed by the company. One manager directed, trained and monitored the employees.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

The term sampling frame can be defined as the complete list of all elements in the population from which a probability sample is drawn (Patton, 2002). However, in this research the sampling frame was the complete list of the entire population sample that was used to carry out this research. The sampling frame obtained from the Carnivore, where all the employees and manager based.

3.3.2.2 Sampling Technique

The sampling technique used for this research was a census. A census is the collection and analysis of data from every possible case of group member in a population (Charmaz, 2006). The elements of this sample include the employees and the restaurant manager. Census was the most appropriate choice for this research because the population of interest is small and the elements are quite different from each other (Charmaz, 2006) i.e. Each employees performance, experience and perspective on the factors that influenced them to either stay as employees of the restaurant, was highly dependent on the individual. Based on this heterogeneity of the elements, opting for a sample rather than a census would translate to unrepresentative data and findings.

3.3.2.3 Sample Size

The Carnivore restaurant has 61 employees, one restaurant manager. This brings the total number of the census to 62.
3.4 Data Collection Methods

Data was collected using structured questionnaires that were administered to the employees, the manager and the general manager. There was one questionnaire for the employees. Five-point likert type scale was used to standardize the responses. The employees were requested to indicate their level of agreement (or lack of) to each statement provided. The range was as follows: 1(fully agree), 2(agree), 3(disagree), and 4 (fully disagree) and 5 (not relevant). This method was the most appropriate for the group because it was able to bring out a clear reflection of the factors that were and were not related to the level of employee retention in the company. In addition, the levels to which the related factors in fact affected the employee retention rate of the company (King, 2012). The questionnaires consisted of closed ended questions. The close ended questions were used to quantify the factors and their level of impact on employee retention (Barnett, 2002).

The questions covered in the questionnaires addressed the company culture at the Carnivore and whether it created a conducive work environment for employees to adapt to and thrive in. They also investigated the extent to which the remuneration and rewards encouraged employees to continue with employment at the restaurant. Finally, they established whether the training the employee went through persuaded them to remain with the restaurant.

3.5 Research Procedure

The research procedure encompassed the creation of the structured questionnaire for the employees and the manager. This was done based on the three research questions that looked at company culture, remuneration and rewards and employee training and development. The questionnaire was in form of statements that were either agreed to or disagreed to on a scale that will emphasize levels of impact.

The questionnaires were pilot tested for their use as tools of data collection for this study. A pilot test was conducted to detect the weaknesses in design and instrumentation and to provide proxy data for selection of the probability sample (Cooper & Schindler, 2014). However, with very small populations, pilot testing runs the risk of exhausting the supply or respondents and sensitizing them to the purpose of the study (Baxter & Eyles, 2007).
Despite this fact, this process was necessary to ensure the data collected and the data collection methods used are valid and reliable.

The questionnaires were administered to all the employees at the same time on a working day particularly scheduled by the manager. The manager was not present during the time the questionnaire was administered and filled out by the employees. In addition, the questionnaires were not labeled to have utmost anonymity for the employees. Once they had completed and handed in their questionnaires, the manager was requested to come in and answer the questionnaire in the same manner. Once completed, they were handed to the researcher. Anonymity and confidentiality was promised and emphasized.

3.6 Data Analysis

Data analysis was done using computer-aided software for statistical manipulation known as IBM SPSS 20.0. Once the data was collected, it was stored safely until it was input to the statistical package. Once input in to the system the data was screened for missing values and data entry errors. Data was analyzed through descriptive and inferential statistics. Descriptive statistics included mean and standard deviation to profile sample characteristics and major patterns and trends emerging from the inferential statistics was done using correlation and regression analysis to test for relationships between variables. Interpretation of the statistical information was done and discussed in the presentation of results and findings. Data was then presented in terms of tables, graphs and charts. Correlation was used to analyze the data through the relationships between the independent and dependent variables. The ANOVA program – Analysis of variances was also used to get the output from the regression analysis. This program measures the difference in variances.

3.7 Chapter Summary

This third chapter presented in detail, the research methodology used to conduct this study. It presented the research design, population and sampling design, it clearly identifies the sampling frame and sample size for this study. In addition, it fully explained the sampling technique that was used to conduct this research. Furthermore, this chapter contained the data collection methods, research procedures, and a thorough analysis of the data collection methods. The study relied on census sampling in order to come up with the best possible results. Questionnaires enabled maximum collection of information and
made it possible to answer other questions that came up in the data collection process. It also created room for better analysis of information for better conclusions. The fourth chapter contained the results and findings of the study. This was possible after the collection of data and proper analysis. It highlighted all the issues that were brought up in the research process as it found information on the research questions. It reported the observations from the field and set the stage for discussion of the findings.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presented the findings and interpretation from the study. The chapter had results on demographics of the respondents such as gender, age and number of years worked in the company. The chapter further outlined employee retention practices in the hospitality industry.

4.1.1 Response Rate

The response rate of a test measures the statistical power of a research and the higher the rate the better. In this study, the researcher distributed 62 questionnaires and only 58 were filled and returned. This represents a response rate of 94% as shown in table 4.1.

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and collected</td>
<td>58</td>
<td>94</td>
</tr>
<tr>
<td>Non Responded</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>62</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.2 Demographic Information

This section of the analysis offered the results on the demographic factors of the respondents who participated in this research study.

4.2.1 Gender

The study sought to determine work experience of the respondent. The findings revealed that majority of the respondents were male accounting for 55.3% of the population whereas the female accounted for 42.1% as shown in figure 4.1. This was because there were more male employees than female employees in the restaurant – it is a male dominated industry.
The study sought to determine work experience of the respondent. The findings revealed that age group 31-35 were the majority with 19 respondents accounting for 31.6% of the population, age group 25-30 had 14 respondents accounting for 23.7% of the population, below 24 had 13 respondents accounting for 21.1% and over 35 had 11 respondents accounting for 18.4% of the population as shown in figure 4.2 below. This shows that the company has employees from diverse age groups.
4.2.3 Work Experience

The study sought to determine work experience of the respondent. The findings revealed that worked for less than 10 years had 35 respondents accounting for 57.9% of the population, 10-20 had 21 respondents accounting for 34.2% of the population and between 20-30 years had 3 respondents accounting for 5.3% of the respondents as shown in figure 4.3 below. This showed that most of the respondents had many years of knowledge and experience in the industry which meant that the information received from them was reliable and gave a true picture of the perspective on employee retention.

![Figure 4.3: Work Experience](image)

4.3 Role of Company Culture on Employee Retention

The first objective of the study sought to establish the role of the company culture on employee retention and the respondents were asked several questions that they were rating; Strongly Disagree (1) disagree (2) agree (3) strongly agree (4) and not relevant being (5).

4.3.1 Descriptive of Company Culture

Most respondents agreed that there is team work in the working environment (3.46), I understand my company’s vision and mission (3.37), that there is an open door policy (3.14), performance appraisals are conducted fairly (3.05) and there is two way communication with management (3.00). However respondents disagreed that
management works towards high employee morale (2.73), employee suggestions are
listened to (2.63), I am satisfied with my job security (2.41) and I am satisfied with my
job security (2.39) as shown in table 4.2. This shows that the company has a culture that
is able to retain its employees.

On analysis of the standard deviation employee suggestions are listened to (1.172) had the
highest standard deviation and there are clear standards on professional standards of
conduct (0.758) had the lowest standard deviation. This indicates that most employees
agreed that indeed the professional standards are clear to them.

**Table 4.2: Role of Company Culture on Employee Retention**

<table>
<thead>
<tr>
<th>Company Culture</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I understand my companies vision and mission</td>
<td>3.37</td>
<td>.819</td>
</tr>
<tr>
<td>There is an open-door policy</td>
<td>3.14</td>
<td>.948</td>
</tr>
<tr>
<td>There is team work in the working environment</td>
<td>3.46</td>
<td>.869</td>
</tr>
<tr>
<td>There is two way communication with management</td>
<td>3.00</td>
<td>1.027</td>
</tr>
<tr>
<td>Performance appraisals are conducted fairly</td>
<td>3.05</td>
<td>.899</td>
</tr>
<tr>
<td>I am satisfied with my job security</td>
<td>2.39</td>
<td>1.054</td>
</tr>
<tr>
<td>There are clear standards on professional standards of conduct</td>
<td>3.31</td>
<td>.758</td>
</tr>
<tr>
<td>Employee suggestions are listened to</td>
<td>2.63</td>
<td>1.172</td>
</tr>
<tr>
<td>Management works towards high employee morale</td>
<td>2.73</td>
<td>.962</td>
</tr>
<tr>
<td>I am satisfied with my job security</td>
<td>2.41</td>
<td>1.322</td>
</tr>
</tbody>
</table>

**4.4 Implication of Remuneration and Rewards on Employee Retention**

The first objective of the study sought to establish implication of remuneration and
rewards strategies on employee retention and the respondents were asked several
questions that they were rating; Strongly Disagree (1) disagree (2) agree (3) strongly
agree (4) and not relevant being (5).
4.4.1 Descriptive of Implication of Remuneration and Rewards

Most respondents agreed that I am concerned about the shareholders return on investment (3.71), informal recognition is just as important as formal recognition (3.14) and good work is recognized by management (3.03). In addition respondents disagreed that I value my salary more than my fringe benefits (2.97), the remuneration packages are competitive (2.95), my fringe benefits are adequate (2.66), team members participate in award selections (2.55), promotions are conducted fairly (2.51) and I am paid based on my performance (2.43). Moreover, respondents strongly disagree that there is open door policy for renegotiation of payment packages (1.82) as shown in table 4.3 below.

On analysis of the standard deviation my fringe benefits are adequate (1.258), had the highest standard deviation, this means that employees held diverse views indicating meaning some of the respondents agreed that the remuneration packages are competitive. Whereas, good work is recognized by management (0.897) had the lowest standard deviation indicating that majority of the respondents felt that indeed good work was recognized by management.

Table 4.3: Implication of Remuneration and Rewards on Employee Retention

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotions are conducted fairly</td>
<td>2.51</td>
<td>.961</td>
</tr>
<tr>
<td>I am paid based on my performance</td>
<td>2.43</td>
<td>1.191</td>
</tr>
<tr>
<td>My fringe benefits are adequate</td>
<td>2.66</td>
<td>1.258</td>
</tr>
<tr>
<td>Good work is recognized by management</td>
<td>3.03</td>
<td>.897</td>
</tr>
<tr>
<td>I value my salary more my fringe benefits</td>
<td>2.97</td>
<td>1.158</td>
</tr>
<tr>
<td>I am concerned about the shareholders return on investment</td>
<td>3.71</td>
<td>1.160</td>
</tr>
<tr>
<td>Informal recognition is just as important as formal recognition</td>
<td>3.14</td>
<td>1.206</td>
</tr>
<tr>
<td>The remuneration packages are competitive</td>
<td>2.95</td>
<td>1.129</td>
</tr>
<tr>
<td>Team members participate in award selections</td>
<td>2.55</td>
<td>1.224</td>
</tr>
<tr>
<td>There is open door policy for renegotiation of payment packages</td>
<td>1.82</td>
<td>.926</td>
</tr>
</tbody>
</table>
4.5 Effect of Training and Development on Employee Retention

The first objective of the study sought to establish effect of training and development programs on employee retention and the respondents were asked several questions that they were rating; Strongly Disagree (1) disagree (2) agree (3) strongly agree (4) and not relevant being (5).

4.5.1 Descriptive of Effect of Training and Development

Most respondents agreed that the exams administered to me after every session were relevant to the learning outcomes for the session (3.46), my abilities were fully utilized at each stage of the training program (3.37), I would recommend this program to someone else (3.32), feedback on my exams was given to me in good time (3.22), my supervisor signed off on every stage of the program (3.19), there was adequate time assigned to each training session (3.11), I fully understood what was required of me at each stage of the program (3.08), thorough introduction was carried out each time I moved from one department to another (3.08) and the timelines of the structure were strictly adhered to (3.03). However respondents disagreed that the program structure was clearly defined (2.97) as shown in table 4.4 below. This shows that the company offers effective training and development programs it employees hence being able to retain talented employees.

On analysis of the standard deviation feedback on my exams was given to me in good time (1.205), had the highest standard deviation reflecting that some employees did not feel that they received timely feedback on their exams. Whereas the exams administered to me after every session were relevant to the learning outcomes for the session (0.767) had the lowest standard deviation. This shows that majority agreed that exams that were administered to them were relevant i.e. there was little variation between those who agreed and disagreed.
Table 4.4: Effect of Training and Development on Employee Retention

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I fully understood what was required of me at each stage of the program</td>
<td>3.08</td>
<td>.924</td>
</tr>
<tr>
<td>There was adequate time assigned to each training session</td>
<td>3.11</td>
<td>.953</td>
</tr>
<tr>
<td>The program structure was clearly defined</td>
<td>2.97</td>
<td>.854</td>
</tr>
<tr>
<td>My supervisor signed off on every stage of the program</td>
<td>3.19</td>
<td>.995</td>
</tr>
<tr>
<td>A thorough introduction was carried out each time I moved from one</td>
<td>3.08</td>
<td>.795</td>
</tr>
<tr>
<td>department to another</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The timelines of the structure were strictly adhered to</td>
<td>3.03</td>
<td>.897</td>
</tr>
<tr>
<td>The exams administered to me after every session were relevant to the</td>
<td>3.46</td>
<td>.767</td>
</tr>
<tr>
<td>learning outcomes for the session</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feedback on my exams was given to me in good time</td>
<td>3.22</td>
<td>1.205</td>
</tr>
<tr>
<td>My abilities were fully utilized at each stage of the training program</td>
<td>3.37</td>
<td>.786</td>
</tr>
<tr>
<td>I would recommend this program to someone else</td>
<td>3.32</td>
<td>.915</td>
</tr>
</tbody>
</table>

4.6 Correlation Analysis between Employee Retention and Other Variables

The study undertook a correlation analysis to determine the relationship between employee retention, culture, remuneration, and training. The findings revealed that there was a strong positive correlation between employee retention and culture (r=0.709, p<0.00), a strong positive correlation between employee retention and remuneration (r=0.592, p<0.00), and a strong positive correlation between employee retention and Training (r=0.559, p<0.00). This findings show that with every improvement in employee retention, culture, remuneration and training there is a positive increase in employee retention.
### Table 4.5: Correlation Analysis between Performance and Other Variables

<table>
<thead>
<tr>
<th></th>
<th>Retention</th>
<th>Culture</th>
<th>Remuneration</th>
<th>Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.709**</td>
<td>.592**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Culture</td>
<td>Pearson Correlation</td>
<td>.709**</td>
<td>1</td>
<td>.570**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Remuneration</td>
<td>Pearson Correlation</td>
<td>.592**</td>
<td>.570**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Training</td>
<td>Pearson Correlation</td>
<td>.559**</td>
<td>.642**</td>
<td>.599**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

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

### 4.7 Regression Analysis between Employee Retention and Other Variables

The study was set to analyze the effects of culture, remuneration and training on employee retention and to achieve this linear regression was done between employee retention and the other co factors table 4.6. The results established that the $R^2$ was 0.557 hence 55.7% of the variation in the firm’s employee retention was explained by the variations in the cofactors. The remaining 44.3% is explained by other factors not included in this study.

### Table 4.6: Model Summary between Employee Retention and Other Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>Std. Error of Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$R^2$ Change</td>
</tr>
<tr>
<td>1</td>
<td>.747a</td>
<td>.557</td>
<td>.518</td>
<td>.34639</td>
<td>.557</td>
</tr>
</tbody>
</table>

a. Predictors: (Employee retention), culture, remuneration and training
An ANOVA analysis was done between effects of culture, remuneration and training on employee retention and at 95% confidence level, the F critical was 14.274 and the P value was (0.000) therefore significant the results are shown in table 4.7

Table 4.7: ANOVA between Employee Retention and Other Co-factors

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>5.138</td>
<td>3</td>
<td>1.713</td>
<td>14.274</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>4.080</td>
<td>34</td>
<td>.120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9.218</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee retention
b. Predictors: (Constant), culture, remuneration and training

Table 4.8: Regression Coefficient of Culture, Remuneration and Training and Employee Retention

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.835</td>
<td>.349</td>
<td></td>
<td>.022</td>
</tr>
<tr>
<td>1</td>
<td>Culture</td>
<td>.431</td>
<td>.130</td>
<td>.516</td>
</tr>
<tr>
<td></td>
<td>Remuneration</td>
<td>.246</td>
<td>.146</td>
<td>.251</td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td>.061</td>
<td>.128</td>
<td>.076</td>
</tr>
</tbody>
</table>

As per Table 4.8, the equation \( Y = \beta_0 + X_1 + X_2 + X_3 \) becomes:

\[ Y = 0.835 + 0.431X_1 + 0.246X_2 + 0.061X_3 \]

Where \( Y \) is the dependent variable Performance of construction firms

\( X_1 \) – Culture
X₂ – Remuneration

X₃ – Training

The regression equation illustrated in Table 4.8 above has established that taking all factors into account (culture, remuneration and training) and other factors held constant employee retention in the company would be 0.835. The findings presented also showed that with all other variables held at zero, a unit change in culture would lead to a 0.431 increase in employee retention and a unit change in remuneration would lead to a 0.246 increase in employee retention. Further, the findings also showed that a unit increases in the training would result in a 0.061 change in employee retention. Only the variables culture was significant (p<0.05) and as such the equation was not significant.

4.8 Chapter Summary

This chapter discussed findings and interpretation of this study. The first section gave an overview on demography. The second section analysed the findings on role of the company culture on employee retention. The third section highlighted findings on implication of the remuneration and rewards on employee retention. The fourth section presented findings on effect of training and development on employee retention. Chapter five discusses the findings conclusions and recommendation of this study.
CHAPTER FIVE

5.0 SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section set out to present and discuss the findings established from the data analysis in the previous chapter. The discussions were based on the research objectives set. This chapter also looked at the conclusions and recommendations made for the study.

5.2 Summary of the Findings

This research project assessed employee retention factors that influenced employees to stay with the Carnivore. The study was set to determine whether company culture at Carnivore creates a conducive work environment for personnel. It was set to determine the effect of the remuneration and rewards on employees’ decision to continue in employment with the company. Finally, it was also aimed to establish the effect of training and development on employee retention.

This study was a descriptive research design for the data collection and analysis of 62 employees although only 58 responded giving a response rate of 94% which was adequate. The sampling technique used was a consensus for the respondents according to their decision to stay. A questionnaire was used for the employees and interviews for manager and general manager. The data collected was processed and analyzed using SPSS to produce the analysis.

An analysis of the first objective revealed that most respondents agreed that there was team work in the working environment, and they also understand the company’s vision and mission. The company was also found to have an open door policy, and performance appraisals were conducted fairly. The firm also practices a two way communication with management. However respondents disagreed that management worked towards high employee morale and employee suggestions are not listened to. The response also recorded dissatisfaction with job security.
Analysis of the second objective revealed that most respondents agreed that they were concerned about the shareholders return on investment, and informal recognition was just as important as formal recognition. The management was also identified to recognize good work. However, respondents disagreed that they value salary more than my fringe benefits, and the remuneration packages are not as competitive and adequate. The results also established that team members did not participate in award selections, and promotions were not conducted fairly. Most of the respondents also admitted to not being paid based on their performance. Moreover, respondents strongly disagreed that there was open door policy for renegotiation of payment packages.

Analysis of the last objective revealed that most respondents agreed that the tests administered were relevant to the learning outcomes for the session, and their abilities were fully utilized at each stage of the training program. Most of the respondents agreed that they would recommend this program to someone else, and feedback on exams was given in good time with the respective supervisor signing off on every stage of the program. It was also revealed that there was adequate time assigned to each training session, with majority being able to understand what was required at each stage of the program. Thorough introduction was carried out each time employees moved from one department to another, and the timelines of the structure were strictly adhered to. However, respondents disagreed that the program structure was clearly defined.

5.3 Discussion

5.3.1 Role of the Company Culture on Employee Retention

An analysis of the first objective revealed that most respondents agreed that there was team work in the working environment, and they also understand the company’s vision and mission. The concept of organizational climate, the prevailing ‘atmosphere’ in an organization, has been highlighted as an important mediation element in the transmission of culture. For example, it was found that organizational climate partially mediated the effect of culture in hospitality institutions where staff retention is an ongoing problem. Both elements impacted on job satisfaction and commitment and work attitudes significantly predicted one-year staff turnover rates (Aarons and Sawitzky, 2006). It has been argued that remodeling an organizations norms, attitudes and social values in order to achieve a culture based on core ethical values is a worthy objective (Appelbaum and
Shapiro, 2006). Zablow (2006) also supports the notion of creating an ethical workplace by remodeling corporate culture.

The results indicated that the firm undertook performance appraisals fairly. People are promoted, appraised and rewarded according to management perception of their acceptance of core values. Hence the view in the Deal and Kennedy approach and much other corporate culture literature is that culture can be created and managed from the top. In this respect, it is a departure from older ideas about informal organizations which are more closely aligned to the view that an organizational culture emerges from social interaction. In fact, the literature appears to transfer culture from the informal to formal organization. As such it becomes the property of management and open to manipulation on their part. This has become the underlying logic for major change initiatives in large organizations (Liou & Nyhan, 2006).

However, respondents disagreed that management works towards high employee morale and employee suggestions are not listened to. People are a company’s greatest resource, and the way to manage them is not directly by computer reports, but by the subtle cues of a culture (Deal & Kennedy, 1982). Borrowing from this statement, the way to train and keep employees is to ensure the company culture creates a conducive work environment that allows for already identified and certified talent to stay on and add value to the company’s bottom line and overall brand image. Employees appear to participate more actively and fully when they can do more of what they are good at and are interested in. Moreover, when applying an appreciative approach, a feeling of continuity is intended to arise in ways that avoid negative reactions and indifference. When employees are directly involved in organizational development, their participation is likely to increase. This participation contributes to the durable character of the organizational culture and development and may arise from a continuous dialogue between employees concerning their mutual future, which enhances cooperation and team spirit (Bouwmans 2006).

The response also recorded dissatisfaction with job security and the firm needs to change this in order to be competitive. In the literature, more and more attention has been paid to the learning and working climate the distinction between workplaces adopting a ‘gap’ and an ‘appreciative’ approach has been made. In a company with a ‘gap’ approach in terms of organizational culture and development (i.e., a gap between the skills needed and those
Problems can be fixed by following a step-by-step plan consisting of four parts. Firstly, a problem is identified; an actual need has to be experienced. Secondly, a thorough analysis of the possible causes is undertaken. Thirdly, possible solutions are explored, and, finally, an action plan is developed. This approach often leads to short-term solutions and often misses important topics, thereby causing new problems and worsening the initial situation. Therefore, a deficit attributed to skill shortages is to be redressed by a linear rational approach to skill development focusing on skills rather than the employees’ vocations (Visser 2001).

5.3.2 Implication of the Remuneration and Rewards on Employee Retention

However, respondents disagreed that they value salary more than fringe benefits, and the remuneration packages are not as competitive and adequate. It was observed that management journals present claims about pay importance that are inconsistent with research about the actual motivational effects to pay. In general, there appears to be a consistent (but incorrect) message to managers that pay is not a very effective motivator and employee retention tool – a message that if believed could cause management to seriously underestimate the motivational potential of a well-designed compensation system (Rynes, Gerhart & Minette, 2004). They argue that most surveys of motivating factors are misleading because employees tend to give ‘socially desirable’ responses that place pay well down the list of motivators. They consider that pay is the most important motivator and cite meta-analytic evidence (Rynes, Gerhart & Minette, 2004).

Despite its importance, motivation and employee retention goes beyond pay. A positive relationship had been demonstrated between the perceived characteristics of the complete compensations system and extrinsic motivation and retention. Intrinsic motivation, on the other hand, was not affected by the design of monetary compensation, but by promotion opportunities. It was also found that the compensation system significantly affected work satisfaction and turnover intent (Herpen, Praag & Cools, 2005).

The results also established that team members do not participate in award selections. Yaniv & Farkas (2005) highlight that the type of contract an organization should use depends partly on the three factors. The first being risk aversion. Risk aversion among agents makes outcome-oriented contracts more costly. The second is outcome
uncertainty: profit is an example of an outcome. Linking pay to profits (outcome-based contract) is more costly to the extent that profits vary and so there is a risk of low profits. Third is job programmability: as jobs become less programmable (i.e., less routine and less structured), and more difficult to monitor, outcome-oriented contracts become more likely (Herpen, Praag & Cools, 2005).

Most of the respondents also admitted to not being paid based on their performance. Legge, (2004) highlighted that the implication for compensation management is that high employee performance followed by a monetary reward will make future high employee retention more likely. By the same token, high retention not followed by a reward and token of appreciation will make it less likely in the future. Compensation systems differ according to their impact on these motivational components. Generally speaking, pay systems differ most in their impact on instrumentality: the perceived link between behaviors and pay also referred to in the pay literature as "line of sight." Valence of pay outcomes should remain the same under different pay systems. Expectancy perceptions often have more to do with job design and training than pay systems (Herpen, Praag & Cools, 2005).

Moreover, respondents strongly disagree that there is open door policy for renegotiation of payment packages. Yaniv & Farkas (2005), highlight that outcome-oriented contracts seem to be the obvious solution. If profits are high, compensation goes up. If profits go down, compensation goes down. The interests of "the firm" and employees are aligned. An important drawback, however, is that such contracts increase the amount of risk borne by the agent. Furthermore, because agents are averse to risk, they may require higher pay (a compensating wage differential) to make up for it.

5.3.3 Effect of Training and Development on Employee Retention

Analysis of the last objective revealed that most respondents agreed that the test administered were relevant to the learning outcomes for the training session, and their abilities were fully utilized at each stage of the training program. Training is of growing importance to companies seeking to gain an advantage among competitors. There is significant debate among professionals and scholars as to the affect that training has on both employee and organizational goals. One school of thought argues that training leads to an increase in turnover while the other states that training is a tool to that can lead to
higher levels of employee retention (Colarelli & Montei, 1996). Regardless of where one falls within this debate, most professionals agree that employee training is a complex human resource practice that can significantly impact a company’s success.

Training as a whole has shown significant growth through the years. Statistics indicate that investment in training is continuing to grow as more and more companies realize its importance. In 1995, $7.7 billion was spent on the wages and salaries of in-house company trainers and $2.8 billion was spent on tuition reimbursement (Frazis, Gittleman, Horrigan, & Joyce, 1998).

The institution was focused on offering training as most of the respondents agreed that they would recommend this program to someone else. Training and development programs enhance employee performance. Learning experiences, training, performance management, and mentoring are various learning and development techniques used to elicit positive actions based on the career aspirations and ages of the participants (Carless, 2007). Assessment, training, and development and evaluation are the three steps in a training program. The assessment helps lay the foundation for the training and understand the goals for it. Once the objectives are determined, the training helps the employee accomplish these goals. Finally, the evaluation helps understand how the training has helped the employee and provides for the next assessment phase (Cascio, 2006).

It was also revealed that there was adequate time assigned to each training session, with majority being able to understand what was required at each stage of the program. The presence of training programs which are unrelated to an employee’s field or are random in nature will make employees lose faith in the value of training, and they may not take future job related programs seriously (Colarelli & Montei, 1996). Any training program should be based on the job profile and requirements of the position, and the tasks that are to be done by each employee. A functional team person sent for technical training may not be able to apply it practically; training programs must correspond to the needs of the job (Kaufman & Hotchkiss, 2006).

Thorough introduction was carried out each time employees moved from one department to another, Owens (2006) noted that the effect that training and workplace education programs can have on various organizations has been examined in previous work. The study included an analysis of numerous outcome variables that may be achieved through
training. Variables relating to performance, wages, productivity, satisfaction, motivation, and absenteeism were all examined. These variables are commonly scrutinized in the training and development literature.

It has been noted that the importance of ensuring employee retention following training may lie in the strategic approach that is utilized. Companies can seek to achieve organizational goals through a variety of human resource strategies and approaches. In an attempt to ensure that the employee remains with the company following training, employers may implement a strategy to training that fosters commitment. Training that attempts to increase employee commitment may serve to counter the numerous direct and indirect costs associated with turnover (Arthur, 1994; Scholl, 2003).

5.4 Conclusions

5.4.1 Role of the Company Culture on Employee Retention

Team work was vital in the working environment and allowed for smooth operation of the firm. Company’s vision and mission were well understood and this enabled employees to base their effort on meeting the firm’s mission and objectives. The hospitality industry can benefit on open door policy, and regular performance appraisals are necessary but they are only beneficial if undertaken fairly. Issues of employee morale and employee suggestions and job security are not a priority in the industry.

5.4.2 Implication of the Remuneration and Rewards on Employee Retention

In the hospitality industry shareholders return on investment is an issue given much priority. Recognition is important based on good work. The issues of salaries and fringe benefits, as well as remuneration packages are factors affecting employee retention.

5.4.3 Effect of Training and Development on Employee Retention

The use of tests to gauge learning outcomes for the session, have been fully utilized in training. The program has sparked interest in participants especially due to timely feedback off on every stage of the program by supervisors.
5.5 Recommendation

5.5.1 Recommendation for Improvement

5.5.1.1 Role of the Company Culture on Employee Retention

The organization needs to maintain team work in order to facilitate smooth operation of the firm. It is also necessary to encourage employees to identify with the company’s vision and mission as this enables them to better understand where the firm is headed. The hospitality industry needs to adopt open door policy in order to address the issues that arise. For the employees to perform better, there is a need to undertake regular performance appraisals and address issues of employee morale and employee suggestions and job security.

5.5.1.2 Implication of the Remuneration and Rewards on Employee Retention

The management needs to review issues of salary and fringe benefits in order to benefit from increased retention. The company also needs to review remuneration packages to make them competitive and adequate. There should be fairness in award selections, and promotions with emphasis on performance based remuneration.

5.5.1.3 Effect of Training and Development Programs on Employee Retention

The organization should continuously make use of exams to gauge learning outcomes for the training program adopted. Although the program has sparked interest in participants its structure needs to be clearly defined.

5.5.2 Recommendation for Further Studies

This research project assessed employee retention practices and the factors that influence employees to stay with the Carnivore. Firstly, similar studies should be done in other hotels and restaurants in order to be able to generalize the findings to the hospitality industry. Secondly, similar studies should be done across other industries apart from the hospitality industry to find out how different or similar employees different industries view employees retention and the factors that contribute to it positively as well as negatively. Lastly, a study should be done in order to be able to carry out a comparison between the different employee perspectives based on their different industries.
REFERENCES


50


Ochuodho Z., (2016), People Daily, Business Hub, 15


APPENDICES

APPENDIX I: INTRODUCTORY LETTER

UNITED STATES INTERNATIONAL UNIVERSITY

QUESTIONNAIRE

Dear Sir/Madam,

RE: REQUEST FOR INFORMATION

I am a Master of Business Administration (Strategic Management) student at the above named university. I am in the process of completing my graduate programme; I am conducting research on employee retention practice in the hospitality industry in Kenya.

This letter is to humbly request you to assist me collect data from you with the use of a questionnaire in order to shed light and gain more insight on the topic under study. The information provided will help in examining and explaining the factors that affect employees’ decision to continue their career at the Carnivore.

Your assistance will be highly appreciated and your information shall be treated with utmost confidentiality and the highest levels of anonymity will be maintained.

Kindest regards,

Yours truly,

WHITNEY PAUL PRAGASSA.
APPENDIX II: QUESTIONNAIRE

As part of my graduate research project in United States International University, I intend to issue out questionnaires to help me properly analyze employee retention practices in the hospitality industry in Kenya. The questionnaire will only take about 10 minutes to complete. All the information given will be confidential and will only be used in the project.

PART A

This first section seeks to find out more on the respondent. Please fill in the required fields.

1. Please indicate your sex with an “X” or a tick in the box of your answer
   - Male
   - Female
   - Prefer not to disclose

2. Please indicate your age with an “X” or a tick in the box of your answer
   - 24 and Below
   - 25-30 Years
   - 30-35 Years
   - Over 35 Years

3. Number of years you have worked with the company
   - 0 -10 Years
   - 10-20 Years
   - 20-30 Years
   - Over 30 Years
PART B: ROLE OF THE COMPANY CULTURE ON EMPLOYEE RETENTION

Research Question1 - 1.4.1

The following section seeks to find out more about your opinion on the company culture.

Please tick the box of your answer. (One circle for each question)

1. strongly disagree  2. disagree  3. agree  4. strongly agree  5. not relevant

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<td>1. I understand my companies vision and mission</td>
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<td>2. There is an open door policy</td>
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<td>3. There is team work in the working environment</td>
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<td>4. There is two way communication with management</td>
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<td>5. Performance appraisals are conducted fairly</td>
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<td>6. I am satisfied with my job security</td>
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<td>7. There are clear standards on professional standards of conduct</td>
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<td>8. Employee suggestions are listened to</td>
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<td>9. Management works towards high employee morale</td>
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<td>10. I am satisfied with my job security</td>
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PART C: IMPLICATION OF THE REMUNERATION AND REWARDS STRATEGIES ON EMPLOYEE RETENTION

Research Question 2 – 1.4.2

The following section seeks to find out more about your opinion on the reward and remuneration strategies

Please tick the box of your answer. (One circle for each question)

1-strongly disagree  2-disagree  3-agree  4- strongly agree  5-not relevant

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1. Promotions are conducted fairly
2. I am paid based on my performance
3. My fringe benefits are adequate
4. Good work is recognized by management
5. I value my salary more my fringe benefits
6. I am concerned about the shareholders return on investment
7. Informal recognition is just as important as formal recognition
8. The remuneration packages are competitive
9. Team members participate in award selections
10. There is open door policy for renegotiation of payment packages
PART D: EFFECT OF TRAINING AND DEVELOPMENT PROGRAMS ON EMPLOYEE RETENTION

Research Question 3 – 1.4.3

The following section seeks to find out more about your opinion on the training and development program

Please circle the box of your answer. (One circle for each question)

1-strongly disagree  2-disagree  3-agree  4-strongly agree  5-not relevant

| 1. I fully understood what was required of me at each stage of the program | 1 | 2 | 3 | 4 | 5 |
| 2. There was adequate time assigned to each training session | 1 | 2 | 3 | 4 | 5 |
| 3. The program structure was clearly defined | 1 | 2 | 3 | 4 | 5 |
| 4. My supervisor signed off on every stage of the program | 1 | 2 | 3 | 4 | 5 |
| 5. A thorough introduction was carried out each time I moved from one department to another | 1 | 2 | 3 | 4 | 5 |
| 6. The timelines of the structure were strictly adhered to | 1 | 2 | 3 | 4 | 5 |
| 7. The exams administered to me after every session were relevant to the learning outcomes for the session | 1 | 2 | 3 | 4 | 5 |
| 8. Feedback on my exams was given to me in good time | 1 | 2 | 3 | 4 | 5 |
| 9. My abilities were fully utilized at each stage of the training program | 1 | 2 | 3 | 4 | 5 |
| 10. I would recommend this program to someone else | 1 | 2 | 3 | 4 | 5 |