FACTORS INFLUENCING EMPLOYEE TURNOVER IN THE HOSPITALITY INDUSTRY IN KENYA: A CASE STUDY OF HILL PARK HOTEL

BY

MBURU MARGARET WANJIRU

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

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A Project Research Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters of Science in Organizational Development (MOD)

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 United States International University – Africa in Nairobi for academic credit.

Signed…………………………….. Date……………………………………

Mburu Margaret W. (ID 647693)

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

Signed…………………………….. Date……………………………………

Dr. Teresia K. Linge

Signed…………………………….. Date……………………………………

Dean, School of Business
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ABSTRACT

The purpose of the study was to assess the factors influencing employee turnover in the hospitality industry a case of Hill Park Hotel. The research questions of the study were: To what extent does communication affect employee turnover at Hill Park Hotel? How do financial rewards affect employee turnover at Hill Park Hotel? How do non-financial rewards affect employee turnover at Hill Park Hotel?

The study employed the descriptive research design to determine the employee turnover level. The target population was 135 employees of Hill Park Hotel. Stratified random sampling method was used to select the sample size. The sample size consisted of 100 respondents. Self-administered structured questionnaires were issued to the respondents and the data was collected within two weeks. Descriptive statistics such as percentage frequencies, mean and standard deviation were employed in analyzing the collected data. Pearson’s product-moment correlation co-efficient was used to determine the strength of the relationship between the independent and dependent variables. Statistical Package for Social Sciences (SPSS) software version 21 was used to analyze data. The data was presented in the form of tables, figures and charts.

On the first research question, the study revealed that the organizational communication between management and employees created a sense of unity and a work environment that enabled employees to perform better. However, the results indicated that some organizational communication elements such as feedback and timely communication from management were lacking leading to low employee morale and higher rate of turnover. The results of the study indicated that peer communication between employees was a key factor affecting employee turnover. The study findings indicated that organizational communication between co-workers enabled the employees to build new capabilities and aided in building a team oriented work environment.

With regard to financial rewards and employee turnover, the findings showed that the low levels of pay and lack of annual pay rise, which also negatively affected on the turnover rate, demoralized the employees. The study findings also indicated that the organization did not pay competitive salary packages and that compensation was not aligned to the level of skills and experience, which further amounted to an increased rate of employee turnover. Findings from the study revealed that organizational benefits and allowances
were lacking. Again, this was one of the key reasons that made employees want to leave the organization and search for better jobs. The study results showed that the organization did not sponsor employees for occasional vacations.

With regard to non-financial rewards and employee turnover, the study findings showed that training and development was a key driver for employee satisfaction and hence minimized the turnover rate. The study results revealed that the organization did not sponsor its employees for work related trainings. The findings also revealed that the organization did not invest in career development needs for its employees and that employees were not recognized for improved performance. The study results revealed that a conducive work environment was also not present in the organization. Inadequate resources and poorly designed job descriptions were cited as some of the causes that led to high rate of employee turnover.

The study concludes that organizational communication was not effective with employees not being able to present their ideas and thoughts to authority. In terms of financial rewards, employees felt salaries were not sufficient with minimal benefits or none at all received. The organization also failed in recognizing the importance of non-financial rewards on their employees not withholding the fact that career development is key for any employee to perform.

The study recommends that management needs to create frequent forums where they can engage with the employees directly and also provide timely feedback on queries. Salaries and wages also need to be aligned with the employees’ level of skills and experiences and benchmarked with what competitors offer. Employers need to take into account the career development needs of their employees and also recognize them for improved performance.
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# TABLE OF CONTENTS

STUDENT'S DECLARATION ......................................................................................... ii  
COPYRIGHT ........................................................................................................... iii  
ABSTRACT .............................................................................................................. iv  
ACKNOWLEDGEMENTS ....................................................................................... vi  
LIST OF TABLES .................................................................................................... ix  
LIST OF FIGURES .................................................................................................. x  
LIST OF ABBREVIATIONS .................................................................................. xi  

CHAPTER ONE ........................................................................................................ 1  
1.0 INTRODUCTION .............................................................................................. 1  
1.1 Background of the study .................................................................................... 1  
1.2 Statement of the problem ................................................................................... 5  
1.3 Purpose of the Study ......................................................................................... 6  
1.4 Research Questions .......................................................................................... 6  
1.5 Importance of the Study .................................................................................... 7  
1.6 Scope of the study ............................................................................................ 7  
1.7 Definition of Terms .......................................................................................... 8  
1.8 Chapter Summary ............................................................................................. 8  

CHAPTER TWO ........................................................................................................ 9  
2.0 LITERATURE REVIEW ..................................................................................... 9  
2.1 Introduction ........................................................................................................ 9  
2.2 Organizational Communication and Employee Turnover ............................... 9  
2.3 Financial Rewards and Employee Turnover ................................................... 14  
2.4 Non-financial Rewards and Employee Turnover ............................................ 19  
2.5 Chapter Summary ............................................................................................ 24  

CHAPTER THREE ................................................................................................... 25  
3.0 RESEARCH METHODOLOGY .......................................................................... 25  
3.1 Introduction ...................................................................................................... 25  
3.2 Research Design .............................................................................................. 25  
3.3 Population and Sampling Design .................................................................... 25  
3.4 Data Collection Methods ................................................................................ 27
3.5 Research Procedures ................................................................. 28
3.6 Data Analysis ........................................................................... 28
3.7 Chapter Summary .................................................................... 29

CHAPTER FOUR ............................................................................. 30
4.0 RESULTS AND FINDINGS .......................................................... 30
4.1 Introduction ............................................................................. 30
4.2 Response rate ........................................................................ 30
4.3 Demographic Information ...................................................... 30
4.4 Effect of Organizational Communication on Employee Turnover ........................................... 34
4.5 Effect of Financial Rewards on Employee Turnover ......................................................... 37
4.6 Effect of Non-financial Rewards on Employee Turnover ............................................... 40
4.7 Rating the Level of Employee Turnover in the Organization ............................................. 43
4.8 Chapter Summary .................................................................... 44

CHAPTER FIVE ............................................................................... 45
5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS ................................. 45
5.1 Introduction ............................................................................. 45
5.2 Summary ................................................................................ 45
5.3 Discussion ............................................................................. 46
5.4 Conclusions .......................................................................... 51
5.5 Recommendations ................................................................. 52

REFERENCES ............................................................................... 54
Appendix I: Cover Letter ............................................................... 61
Appendix II: Questionnaire ........................................................... 62
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Target Population</td>
<td>26</td>
</tr>
<tr>
<td>3.2</td>
<td>Sample Size Distribution of Employees</td>
<td>27</td>
</tr>
<tr>
<td>4.1</td>
<td>Response Rate</td>
<td>30</td>
</tr>
<tr>
<td>4.2</td>
<td>Organizational Communication Descriptives</td>
<td>35</td>
</tr>
<tr>
<td>4.3</td>
<td>Organizational Communication Correlations</td>
<td>37</td>
</tr>
<tr>
<td>4.4</td>
<td>Financial Rewards Descriptives</td>
<td>38</td>
</tr>
<tr>
<td>4.5</td>
<td>Financial Rewards Correlations</td>
<td>40</td>
</tr>
<tr>
<td>4.6</td>
<td>Non-financial Rewards Descriptives</td>
<td>41</td>
</tr>
<tr>
<td>4.7</td>
<td>Non-financial Rewards Correlations</td>
<td>43</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 4. 1 Respondents’ Gender ........................................................................................................ 31
Figure 4. 2 Respondents’ Age ........................................................................................................ 31
Figure 4. 3 Respondents’ Education Level ....................................................................................... 32
Figure 4. 4 Position Held in the Organization ................................................................................. 33
Figure 4. 5 Respondent’s Department ............................................................................................ 33
Figure 4. 6 Number of Years Worked in the Organization .............................................................. 34
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>F &amp; B</td>
<td>Food and Beverage</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>H.E</td>
<td>His Excellency</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Manager</td>
</tr>
<tr>
<td>J.K.I.A.</td>
<td>Jomo Kenyatta International Airport</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the study

Employee turnover refers to the ratio contrast in the number of employees an organization needs to replace in a certain period to the average number of total employees (Khan, 2014). The issue of employee turnover has taken precedence in most organizations particularly for the low cadre jobs. Many contributors to this scenario are significant to the employee turnover and can stem from both the organization as well as the employees (Vardarlıer, 2016). Employers have become more concerned with employee turnover as it affects negatively on organizations and more so, is a very expensive aspect of the business world.

According to Tsai, Bernacki and Lucas (2013) employee turnover is a highly complex and dynamic process in a scenario where the world is trying to sustain economic development and to maintain a steady growth on business. In human resources context, employees are an asset and important resource to any organization and this is a treat to the sustainability of the organization (Akinyomi, 2016). An employee is an integral part of any business and therefore businesses would be abortive without them. In many parts of the world today, employee turnover is always taken as a downbeat aspect by any organization. The massive disadvantage of employee turnover is that it has direct effect not only on production but also on the profit in the future in long run (Adnan, 2012). Employee turnover also has a negative effect on the working culture and learning environment of any organization.

Employee turnover may be voluntary or non-voluntary. Voluntary turnover is whereby the employees leave the organization on free will while non-voluntary is where, employees leave the organization due to pressure from the management or other factors, for example poor pay or poor working conditions (Vnouckova & Klupakova, 2013). However, employee turnover becomes a problem to the organization when it is high. High employee turnover is when a large number of employees leave the organization over a certain period of time, usually a short period.
According to Satpathy and Das (2014), most organizations have termed employee turnover as a costly expense especially which has become a major concern for the employers especially in lower paying job roles, where the employee turnover rate is considered to be highest. Company benefits and wages, employee attendance as well as job performance are all components that play a key role in employee turnover. Organizations take a kin interest in their employee turnover rate given its massive impact on the cost costly part of carrying out business (Ongori, 2012).

Organizations incur direct as well as indirect expenses, which incorporate advertisement cost, recruitment fees, human resource fees, new hire training, customer retention and loss of productivity every time they have to replace an employee. Such expenses can amount to anywhere between 30 to 200 percent of a single employee's annual salary or wages, depending on the industry and the job position being filled (Ongori, 2012). An overall higher average of employee turnover is witnessed with lower paying job roles, which tend to cost organizations less with each replacement employee as compared to higher paying job roles. However, the problem comes in, as they tend to incur these costs more often. Because of these reasons, most organizations emphasize on employee retention schemes without taking into consideration the levels of pay. Potential negative consequences of employee turnover include operational disruption, demoralization, negative public relations, personnel costs, strategic opportunity costs, and decreased social integration (Zeeshan, Sarwat, Mishal, Imam, & Bilal, 2016).

According to (Ongori, 2012) employee turnover can be minimized when matters concerning employees’ morale are addressed as has been found out by most organizations. For this to take shape, organizations have to find ways of offering employees benefits such as reasonable flexibility with work and family life balance, monthly performance reviews as well as performance based incentives, accompanied with additional benefits such as paid vacations or sick days (Ameliya & Febriansyah, 2017). The extent to which an organization will go to in order to retain employees depends not only on employee replacement costs, but also on overall performance of the organization. Replacement cost can be a huge price to bare in the end especially when an organization does not achieve the performance it is paying for (Satpathy & Das, 2014).

Employee turnover has positive aspects also. Employee turnover can help the organization get rid of unproductive employees who may have lowered the productivity
of the organization due to poor performance (Tan & Nasurdin, 2013). The organization may acquire employees who are highly qualified, which will lead to good performance hence increase in profits of the organization. The organization is also able to get employees with new ideas about the work; this would eventually cause an increase in productivity. The new employees acquired may also be multi-skilled which will help to reduce costs incurred through salaries and wages to different employees.

Allen and Bryant (2018) also indicate that organizations in the United States spend 30 percent to 50 percent of the annual budget for entry-level employees in terms of salaries. For middle-level employees they could spend up to 150 percent of the salaries annually and for replacements in management positions, they could spend as high as 400 percent of the annual salary (Allen & Bryant, 2018). It remains vital for managers to nurture employees to stay. Productivity is more likely to increase if an organization retains steady, long-term employees because of increased employee loyalty (Vnouckova & Klupakova, 2013).

In Africa alone, employee turnover has proven to be a major headache to employers especially in organizations in the service sector (Nwagbara, Oruh, Ugorji, & Ennsra, 2013). The hospitality industry being one of the world’s fastest growing industries is mainly affected by this trend, that is, the occurrences of employee turnover. With the sector experiencing growth even in developing countries, an urgent demand for personnel who are devoted to the undertakings of the industry has been created. As it has been noted, developing countries have mainly focused on providing the much of the needed hardware in the industry, such as hotels, tourist attractions, transportation and communication (Allen & Bryant, 2018). The training of staff as well as the execution of effective human resource practices to enhance the welfare of workers has been accorded much lower priority in a bid to develop facilities. This has resulted in a scarcity of skilled and satisfied personnel in the industry.

According to (Deloitte, 2014), employee turnover is said to be draining Kenyan organizations billions of shillings because of decreased efficiency. Employee turnover is projected to be over five billion shillings in a single year (Deloitte, 2014). The cost of employee turnover and its bearing on productivity alone is a massive blow for any human resource manager as well as the entire organization. This can be explained by the delay of services delivery during the waiting period for replacement staff to arrive. In addition,
production losses are likely to be experienced while assigning and employing the replacement staff (Akinyomi, 2016). Repeatedly, organizations encounter time wastage as a result of inexperienced replacement of employees. Management and other employees spend a valuable amount of their time not carrying out their duties but trying to orientate replaced employees. In addition, employees’ job security might be totally linked to the country economic conditions. In Kenya, the economy is surrounded with much uncertainty and therefore lacks an unemployment insurance system that would otherwise be convincible to pay attention for job security as an employee retention facet (Njoroge & Kwena, 2017).

The hospitality industry is not only a giant service industry but also an aggregate of service sectors made up of a combination of service organizations. Ronra and Chaisawat (2016) describe the hospitality industry as an organization with an intention to satisfy a full range of needs such as accommodations, food and beverages. The industry entails frequent guest to host activities and hospitality organizations that tailor to the needs of an assorted group of people. Due to its diversity, the hospitality industry is mainly viewed as a consortium of service-related organizations. The industry has recently shifted from the sidelines and has moved towards the center stage of socio-economic schemes. It has also emerged as a significant factor of the non-traditional export sector with a huge potential for foreign exchange, income generation and employment (Hanqin, 2015).

The hospitality industry offers numerous jobs in Kenya and widely contributes to the gross domestic product (GDP) (Vasquez, 2014). However, the seasonal nature of the hospitality industry especially here in Kenya remains a key reason towards the high turnover rates. Even though managers in this industry frequently hire and fire employees with regards to seasonal fluctuations, they remain ignorant of the labor-versus-demand concept; therefore a majority of hotel managers remain unprepared to synchronize labor to demand (Ameliya & Febriansyah, 2017). Particular challenges that arise from branding, service management, customization and social media use might also be an influence turnover rate. An important need for industry leaders is for them to learn and adopt better management techniques able to aid in absorbing the most valuable as well as well-trained employees. This is aimed at effectively helping the industry compete in the hospitality market with ease (Prempeh, Commey & Kuuder, 2015).
The study will focus on Hill Park Hotel, which rests on 2.5 acres of a well-secured perimeter with round the clock security. It’s located in the Nairobi’s Upper Hill only six-minute drive from the city center and ten-minute drive from the JKIA Airport. The Hotel is owned by Bawan Group of Companies and its services target corporate clients and tourists. The Hotel was officially opened on 13\textsuperscript{th} March, 2003 by H.E. Michael Christopher Wamalwa V.P of the Republic of Kenya by then. The Hotel comprises of the following departments: Front Office whose responsibilities are, checking in and out of clients, customer care and reservation. House Keeping department is responsible of, maintaining cleanliness of the rooms, making of beds, reporting of suspicious clients found in the rooms, making sure that accommodation facilities are comfortable for the clients. The food production crew has the responsibility of cooking quality food and balanced diet. The service crew does the work of serving clients, billing clients and customer care. The Human Resource department carries out the following duties; recruiting and selection, motivation of employees, appraisals and training and development of employees (Hill Park Hotel, 2015).

1.2 Statement of the problem

Kuria and Ondigi (2012) in their study of the assessment of causes of labour turnover in three and five star-rated hotels in Kenya mentioned that employee turnover has become detrimental to an organization’s performance and profitability and this seems to be leading to loss of financial as well as intellectual resources and assets. Akinyomi (2016) did a study on employee turnover: causes, consequences and prevention and found out that managerial controllable factors such as unequal treatment of workers, lack of promotion and growth, low wages and salary, unclear compensation procedures, less recognition and lack of employees’ involvement in decision making were among key factors that cause voluntary employees’ turnover in both public and private sectors including microfinance. The study found out that these factors might be the basis on which employees may begin to experience loss of job satisfaction and may finally result in an employee leaving the organization. The study narrated that tourism and hospitality employment have resulted to hotel jobs being regarded as low status jobs with low payments and poor working conditions.
Employee turnover also affects the co-ordination of work (Aguinis & Gottfredson, 2013). This is due to the time taken by the organization to advertise or source out for other employees, recruit them and the time the new employees take in settling down and learning about their new job. High employee turnover may lead to poor relations, as the public is likely to associate this with poor management and poor working conditions in the organization (Prempeh, Commey, & Kuuder, 2015). Kuria, Wanderi and Ondigi (2011) did a study on factors influencing employee turnover in three and five star-rated hotels in Nairobi and brought out the fact that there is a positive relationship when it comes to salaries, incentives, bonuses that in turn affect employee turnover. The study established that many employees in the hospitality industry prefer to receive higher remuneration that commensurate with their work output.

From the discussions, it is clear that the authors concentrated more on monetary factors and ignored the fact that organizational communication and non-financial reward schemes also play a vital role in employee turnover (Ongori, 2012). This has therefore created a major knowledge gap on organizational communication and non-financial rewards. This study aims to fill the missing gap by determining how organizational communication and the different rewards affect employee turnover in the hospitality industry with a specific reference to Hill Park Hotel.

1.3 Purpose of the Study

The purpose of the study is to determine factors influencing employee turnover in Hill Park Hotel in Nairobi.

1.4 Research Questions

The study will attempt to answer the following questions;

1.4.1 To what extent does organizational communication affect employee turnover in Hill Park Hotel?
1.4.2 How do financial rewards affect employee turnover in Hill Park Hotel?
1.4.3 How do non-financial rewards affect employee turnover in Hill Park Hotel?
1.5 Importance of the Study

1.5.1 The Management Team at Hill Park Hotel

The findings of this study are intended to equip the senior management team and human resources department of Hill Park Hotel with insights as to the causes of turnover. The study may be important to the management team because they may use the findings to streamline the retention strategies they have and give the organization the required competitive advantage.

1.5.2 Hotel Industry

Hotels share similarities in their operational models, which will benefit from the findings of this study. It will also assist them in planning workforce training programs and employee turnover interventions. Hill Park Hotel will therefore be able to accelerate the development of operational policies that minimize the rate of employee turnover in the organization through the various stakeholders.

1.5.3 Future Research/Scholars

The study will add to the existing body of knowledge on the factors influencing employee turnover availing data for further research and practical reference. A documented copy of this research will be stacked at the library and will hence equip learners with more skills and knowledge on factors influencing employee turnover in the hospitality sector organizations. The research will further contribute to the literature on employee turnover, which will form part of articles to be used by researchers who want to further this research, and to other interested parties in the academic circles.

1.6 Scope of the study

The research mainly focused on 15 senior managers, 20 middle level management and 100 support staff. This is backed up by the fact that senior management; middle level manager and support staff all play great roles affecting the organizational performance. The research will take place at Hill Park Ltd offices in Nairobi. The research was conducted over a period of two weeks between the 14th and 26th of June, 2018 so as to enable all targeted respondents’ ample time to participate.
One of the major challenges encountered during the study was that respondents were reluctant to respond to the questions. The researcher endeavored to overcome this challenge by guaranteeing the respondents that the information provided would be handled with uttermost confidentiality and would only be used for academic purposes.

1.7 Definition of Terms

1.7.1 Employee Turnover

Employee turnover refers to the number or percentage of workers who leave an organization and are replaced by new (Robinson, 2015).

1.7.2 Organizational Communication

This refers to the process of passing down information or messages from junior executives to senior executives or vice versa (Bordean, 2013).

1.7.3 Financial Rewards

This refers to monetary forms of pay normally received in the form of salaries, wages, commissions and bonuses, which is provided at regular and consistent intervals (Jiang, Xiao, & Qi, 2014).

1.7.4 Non-financial Rewards

This relates to topics such as work environment and conditions, opportunities for recognition, career development, as well as advancement opportunities (Gupta & Shaw, 2014).

1.8 Chapter Summary

This chapter predominantly concentrated on the background of the study followed by problem statement, purpose of the study and the scope of the study. Significance of the study and the definitions of terms used in the study have also been presented as well. It ends with a chapter summary. In chapter two, the study provides a review of literature on employee turnover. Chapter three is going to dwell on the research methodology. Chapter four presents the analysis, findings and results of the study and finally, chapter five highlights on the discussion, conclusion and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter expounds on literature regarding the factors influencing employee turnover in the hospitality industry. The section is guided by the set research questions. Three key employee turnover determinants are discussed in detail in this section and these include organizational communication, financial rewards and non-financial rewards factors according to the research objectives.

2.2 Organizational Communication and Employee Turnover

Communication is an element in an organization that needs a serious attention especially in managing human resources. It is well known that communication plays a vital role in the hospitality industry. The role of communication is widely advocated in daily activities, but it is inconsistently practiced over time and across organizations. Managers and employees are exposed to the importance of good communications, but they do not implement effective communication practices (Gaithe, 2012). Managerial staff tend to be unaware of the consequences of communication problems to their organization.

Communication is crucial in managing employee turnover as well as in leading organizations successfully (Barrett, 2006). It has been noted that communication plays important role in managing human relationships; however, it is inappropriately practiced in certain contexts (Gaithe, 2012). Berger (2014) view corroborates the fact that tasks in organizational setting will not be completed successfully when the quality of communication in such context is low or ineffective. Although Hartog, Boon, and Croon (2012) have argued that too much communication contact has the potential of disturbing and distracting employees however, too little of it could leave subordinates or employees with little guidance that propels mutual understanding.

Charvatova and Van der Veer (2014) indicate that communication plays an important role to the practice of management in an organization and it has become a significant part of managerial profile. Studies have shown that managers spent 75 percent or more of their work time to be involved in any form of communication (Uzoechi, Oruh, Ugorji, &
Ennsra, 2013). The reason behind this is that effective organizational communication has an impact on the employee turnover in organizations. Communication regardless of internal or external communication is critical to retain employees, foster trust and respect, and increase productivity (Hartog, Boon, & Croon, 2012).

From the perspective of management, according to Raina and Roebuck (2014), there are three functions of organizational communication. The first function is to spread the goals, tasks, and rules of the organization. The second function is to coordinate the activities of the organization. The third function is to provide management with information regarding the condition of the organization and the reliability of downward information flow from the management. Raina and Roebuck (2014) further argues that effective organizational communication brings a feeling of belonging to the employees, which increases motivation and hence retention.

Internal organizational communication is essential in attracting and retaining a talented staff. Managers must provide the direction for the organization by consistently communicating that message. They must retain their staff through various forms of communication, which can include awards, newsletters, meetings, telephone calls and formal and informal discussions (Akpinar, Torun, Okur, & Akpinar, 2013). Organizational communication is also important in promoting friendly service to customers. Munish and Agarwal (2017) indicate that friendly staff are one of the variables considered by customers when they chose to have meals in restaurants. Employees who are satisfied with the communication climate in an organization will learn good communication practices. Thus, they can apply the good practices when dealing with customers and will have a sense of security to stay in such an organization.

2.2.1 Employee and Manager Communication

Organizational communication can stem from the manager or employee as well. From the context of supervisor-subordinate communication, Akpinar et al., (2013) proposed that communication between new employees and their supervisors was important in determining the employees’ assimilation in an organization. Employees usually did not initiate interacting with their supervisor, but they would take time to develop communication with their supervisors. Hence, it is important to establish communication links between supervisors and subordinates in an organization. Lack of such communication will undermine employees’ turnover.
Communicating to the employees about the organization empowers them directly and indirectly to contribute to the decision-making process (Surji, 2013). Organizational communication provides employees with opportunities to register discontent and modify the power of management. It embraces involvement and participation. Involvement is where management allows employees to discuss with them, issues that affect them but management retains the right to manage (Berger, 2014). This is a management driven concept. Organizational communication is about employees playing a greater part in the decision-making process. This ensures that employees are given the opportunity to influence management decisions and to contribute to the improvement of organization performance. This will eventually lead to employees sticking with the organization hence reducing the rate employee turnover, but if communication is not embraced, employee turnover will be a reality in the organization (Bordean, 2013).

New employees tend to come in with new ideas, attitudes and also re-energize the organization and keep it current. A major problem in the hospitality industry is the difficulties for managers to communicate well with their subordinates. Surji (2013) mentioned that too much communication contact has the potential of disturbing and distracting the employee, yet too little could leave the employee without the necessary guidance and attachment to the organization. This requires the manager’s abilities to take a flexible approach to communicating with his or her subordinates.

Feedback is a key component of organizational communication and is very important in increasing employee morale. Employees require feedback, as they want to know how they perform in the organization and how their managers appraise their job performance. Ronra and Chaisawat (2016) propose that good interaction between a supervisor and subordinates will create good feedback from employees. Thus, this will make employees feel that management values their opinions and is interested in their perspective.

Employees represent an organization’s greatest resource. An organization’s most important relationships are those with employees at all levels. Organizational communication is better understanding between the employer and employee and commitment by employees in achieving bottom-line results (Gaithe, 2012). These kind of positive aspects of worker and employee are strongly influence by effective way of life interactive communication throughout the organization. Moreover there is always a need
to build a strong manager communication network, one that makes every supervisor at every level accountable for communication effectively with his or her subordinates.

The motive brought forward by Feeley, Hwang, and Barnett (2012) is that: organizational communication provides the employees with a general view of the business; it creates unity among the employees regarding the goal of the business; it facilitates delegation; and in the end, it contributes to higher retention.

Failure to have proper communication with the employee force will lead to a gap between the top management and the employees. This implies that the employees may be left out in decision-making process. This demoralizes the employees, and leads to a high employee turnover. Employees want to work in an organization where communication is valued. This makes them feel part of the organization and hence remain in the organization for long thus lowering the level of employee turnover in the organization (Berger, 2014).

2.2.2 Peer Communication among Employees

Peer communication between employees involves the exchange of information, ideas, opinions and feedback with and among employees to collaborate in a work environment to achieve the desired results as set by the management and the employees (Satpathy & Das, 2014). Effective peer-to-peer between employees is part of organizational communication that goes a long way towards helping establish mutually respectful relationships that can not only boost productivity but also improve employee turnover as well.

There are several consequences of peer-to-peer communication problems that need special attention from organizations. Kim, Kim and Rhee (2017) conclude that co-workers’ communication relationship is an important contributor to employees’ turnover. The employee’s different background, stress and interruption from surroundings can be reasons for low quality of co-workers’ communication. If an employee is dissatisfied with peer communication, he or she tends to develop intent to leave the organization.

Surji (2013) reports that low satisfaction and low interaction among co-workers could cause a major turnover problem. Lack of communication may hinder employees from reporting any injury to their supervisors. Employees may also refuse to get a detailed
explanation from their supervisors if they receive insufficient information regarding their job descriptions. As such, employees will have low satisfaction with communication practices in the organizations and will tend to leave. Effective employee-to-employee communication practices will give advantages to an organization. Munish and Agarwal (2017) proposed an open communication could create a team-oriented work environment. This environment would increase guest satisfaction and decrease turnover. A good communication in a work group would lead to low turnover. Management therefore has a task of implementing rotational duty programs that go a long way in making sure that the task force embraces team orientation.

Gaithe (2012) reports that an employee who is satisfied with team communication in an organization tends to report that their work is easier to be implemented. Satisfactory communication makes work easier as employees get sufficient information required from his or her peers. They are also satisfied with the relationships with their supervisors when they are engaged in good communication practices.

Organizational communication according to Robinson (2015) leads to people working as a team which means they will deliver more than the individuals who work in isolation without communication (Nwagbara, Oruh, Ugorji, & Ennsra, 2013). An organization that enhances communication enables the employees to take strength from one another and build on the capabilities of the fellows; employees also create mechanisms for dealing with issues of procedures, organization, roles and confidences to be shared. The combination becomes orderly, directed, flexible and responsive. This leads to a reduction in the rate of employee turnover; while on the other hand, employee turnover becomes evident if such practices are not embraced.

The needs and aims of both employees and management in the end is the same in any organization. Managers’ and employees’ ideas and objectives can all be fitted together to form a single conceptual framework. Any differences in opinion between management and employees are due to misunderstandings, which have arisen because communication is not good enough. This may result into employees leaving the organization, to another that values communication. The solution to this is to improve organizational communication (Kim, Kim, & Rhee, 2017).
2.3 Financial Rewards and Employee Turnover

Financial rewards may mean the amounts paid to employees, either in the form of a lump sum or in the form of monthly payments or in any other form, which serves as additional income to an employee. It is considered the oldest forms of incentives, which is characterized by quick and immediate, form that make employee feel of an immediate feedback of their effort in meeting the organizational goal (Harunavamwe & Kanengoni, 2013). Examples of monetary rewards include base pay, cost-of-living adjustments, short-term incentives, and long-term incentives (Aguinis, 2013). Monetary rewards form a key determinant of employee morale, and can cause significant returns in regards to employee turnover.

Financial rewards are given to employees mostly on their performance. However, it is necessary that the reward systems be viewed as fair to all employees in terms of processes, rules, regulations, and award mechanisms. Gieter and Hofmans (2015) posits that management decisions in awarding employees’ compensation should be rational and above board. When employees feel that their organization is fair in giving financial rewards, they commit themselves to organizational performance and sustainable development and are more willing to stay in that organization.

However, when money is used to recognize the employees for the good work done it may send wrong signals to the employees; the emphasis put on monetary rewards drives employees to reach for individual gains and reduces teamwork (Terera & Ngirande, 2014). The signals monetary rewards send to warrant employees to be cognitive processors who understand the signals management is sending by rewards; financial rewarding shows employees what kind of behavior is valued and will have an impact on the turnover.

In addition, Okioga (2012) stated that monetary rewards are at their best creating temporary compliance meaning that money motivates us as long as we get another pay increase. Temporary compliance refers to the shortsighted value it manages to add in individual’s retention. Once a pay increase is received, it motivates for a short period until motivation is again declined and employees start to search for other greener pastures. Promising a reward to someone who appears unmotivated is a bit like offering salt water to someone who is thirsty (Gupta & Shaw, 2014).
On the other hand, financial rewards are seen to be a major cause of high turnover. Ongori (2012) carried an analysis, which involved studies that examined the relationship between employees’ pay, performance and turnover. Ongori concluded that when high performers are insufficiently rewarded, they tend to resign. If employers provide adequate financial incentives, the high chances that employees will remain with the organization and vice versa.

2.3.1 Salaries and Wages

Salary is money paid to an employee in return for the work done to an organization (Cao, Chen, & Song, 2013). In most cases the salary is paid to an employee according to experience and skills that he or she has. The salary is negotiable at the time when the employer is offering a vacancy to a prospective employee. It is therefore, expected that after the probation period, the employee’s salary should be increased upon confirmation. As the organization grows and makes profits, employees would normally expect pay-raise annually (Imran, Syed, Ashfaq & Anwar, 2017). Imran et al. (2017) also emphasize that the salary of employees should commensurate their efforts to increase their morale and their degree of commitment.

When an organization does not honor its pledges for its employees in terms of salary increment, then the employees’ morale goes down reducing the quality of service. This act can prompt employees to leave the organization in search for a better one, giving rise to the level of employee turnover in the organization. On the other hand, when the organization pays its employees as was promised, then the employees morale for work increases resulting in efficient and economical service thus lowering the level of employee turnover in the organizations (Mendis, 2017).

Low compensation and other salary issues are also reasons for turnover, which can be considered a sub-category of job dissatisfaction. Most managers believe this is the main reason for turnover. This notion is questionable because it is a view from the manager’s perspective (Terera & Ngirande, 2014). Compensation issues may have been the most common reason for resigning given to management for leaving the job because maybe it can be understood and sometimes uncontested by management. Employees unsatisfied with their present pay will begin their job search unnoted (Ali, Amin, & Hamid, 2016). Due to pay dissatisfaction, employees will search for a better job. Employees may also
come across a better position outside the organization without being dissatisfied with their present position, but the better position itself becomes the reason for leaving an organization.

Mabaso and Dlamini (2017) state that money provides the means to achieve a number of different ends. It’s a powerful force linked directly or indirectly to the satisfaction of many needs. Pay is a dominant factor in the choice of employer and consideration of pay seems most powerful in binding people to their present job. If actual financial rewards meet or exceed perceived level of equitable rewards, the individual will feel satisfied. If these are less than equitable rewards, the individual will feel dissatisfied and the consequence is employee turnover. Poor remuneration, that is, very low wage or salary will cause employees to search for greener pastures (Khan, 2014).

Organizations attempt to keep salary and compensation information private, which can reduce dissatisfaction and animosity between employees (Okioga, 2012). The solution to compensation issues might be easily resolved if that is the sole reason for leaving an organization; pay employees more than competitors do. Organizations would be able to attract and retain talented and well-qualified personnel only if they offer employees salary packages that are competitive. This would be the most effective solution to the problem of employees leaving the organization based on poor pay.

2.3.2 Organizational Benefits and Allowances

An organizational benefit refers to an extra benefit that workforce is given with their job in addition to wages or salaries (Ameliya & Febriansyah, 2017). Allowance refers to the sum of money regularly paid to an employee in order to meet certain needs (Mendis, 2017). Employee turnover is influenced by the availability of organizational benefits and allowances. The provision organizational benefits and allowances creates an optimistic, motivating work environment for employees and increases output and sales. It also results into a motivated workforce, which is likely to lead to organizational excellence, prosperity and excellence. Provision of organizational benefits can help further key objectives for both the employers and employees. There are several types of organizational benefits and allowances that an organization can give to its employees. This includes; health cover, shopping vouchers, car allowance, and house allowance among many others. Such benefits are said to improve employers’ employee retention
and cost control objectives, while also addressing employees’ growing concerns about a variety of financial issues (Munap, Badrilllah, & Rahman, 2013).

Employers need to make a point of offering attractive benefit packages. Many employees seem not to be aware of the benefits that they are entitled to in their compensation package. In order for the employees to easily obtain the best available benefits, organizations need to minimize the bureaucratic procedures involved. Employers should often benchmark their benefits with what is being offered by other organizations in the same industry. In addition, organizations need to determine and alter their promotion policies in an equitable way, which should facilitate promotions for candidates to be based on performance only (Sinha & Sinha, 2012).

Mendis (2017) notes that the problems of the working force in the hospitality industry and their mental stress is increasing due to the inefficient transport system. This is mainly due to the fact that workers in the hospitality industry mostly leave work in odd hours of the night. At such times, public transport is normally not available and insecurity is a major issue in the city. Organizations such as hotels need to look into the issue and provide transport for their employees at such times. The availability of official transport facility for employees who live far from their workplace would reduce their financial burden and mental stress (Jiang, Xiao, & Qi, 2014). Organizations should provide convenience to their staff because it will be very helpful in motivating the employees, which in turn affects turnover.

Health insurance for employees in the hospitality industry is also key. This is when the insurer pays medical and surgical expenses of the employee. It is a source of motivating, attracting and retaining the competent employees because health cost has increased over the time and health insurance decreases the financial burden of the employee and increases its motivation and commitment hence resulting in a low turnover (Msengeti & Obwogi, 2015). Either the insured is remunerated for the expenses of the illness or injury or the health care provider is given the money by the health insurance. It provides coverage for the stays in hospitals, visits and medical expense.

Employers need to also have pension schemes for their employees. This is deferred income that workers gather during their working lives and that belongs to them after specific time duration (Terera & Ngirande, 2014). When an employee reaches a certain age of twenty-one and have completed one year of service, they should be entitled to the
organization’s pension plan. The objective behind pension plan is to motivate and retain the employees. It is offered for rewarding employees for staying with the organization until retirement. Employees are disqualified for the pension award if they leave or are fired before retirement.

2.3.3 Paid Annual Leave and Vacations

The amount of hours or days employees of an organization is permitted to be away from their employment position within a year’s time without consequences (Mendis, 2017). This time off is paid by the organization and employees are allowed to request the time for any reasons they wish to be off from work. Employee’s annual leave is essential to employees’ retention in the organization. According to Ronra and Chaisawat (2016), paid leave is determined by the individual organization. In most cases, organizations define a set of rules and regulations on who qualifies for paid leave, and how the paid leave procedure should be implemented. Legally, organizations are required to grant their employees a minimum of twenty-one working days of paid annual leave, for a full year of work. However, it is the discretion of each organization to determine the number of days, over and above the legal requirement that they will extend to their employees as a way of appreciating their performance and as a way of retaining the employees (Ameliya & Febriansyah, 2017).

Khan (2014) suggests that there exists a relationship between paid annual leave and employee turnover within the hospitality industry. Employees usually feel honored and valued by their organization when they are offered a generous pay out during their annual leave. Mendis (2017) states that most organizations in the sector extended paid annual leave to senior managers only. However, the situation on the ground is that majority of employees especially in the hospitality sector rarely receive paid leave over and above their salary. It is therefore essential that management develops and enhances mechanisms that that ensure that all employees within their organizations are treated with equity (Okioga, 2012). Fairness enhances motivation, trust, and employees’ commitment to an organization, which in turn lowers the rate of employee turnover.

Vacations with pay have become a common feature in most blue chip organizations. Managers in the hospitality industry need to embrace such current human resource practices. The wellbeing of the employee needs to be taken into account by offering them
vacations with pay especially when the employee has been working for a longer duration of more than seven or so days (Mabaso & Dlamini, 2017). These vacations can be advantageous for the employees who need extra time to care for aging parents or fulfill other assignments and this enhances the chances of loyalty of the employee to the organization.

2.4 Non-financial Rewards and Employee Turnover

Non-financial rewards are given to enhance the capability and confidence. They refer to compensation given in a bit of business, which does not have to do with money (Imran, Syed, Ashfaq, & Anwar, 2017). Non-monetary rewards include employee training and development scheme, career enhancement opportunities, and non-financial recognition (Ngcobo & Naidoo, 2015). Whereas non-monetary gains are concerned, these create influence on employees in the form of giving more responsibilities, promotion, praise and recognition in front of public. Non-monetary rewards or recognition proves to be a better employee retainer than money (Ameliya & Febriansyah, 2017).

Most people join organizations in the hospitality, which provide non-monetary rewards, which keep them motivated to perform more than their ability to perform. For this purpose incentive programs, while considering them the most attractive schemes to motivate and retain the workforce are being launched by many organizations. It has been found out through research that many organizations are investing millions of shillings on employees’ retention through incentive schemes (Imran et al. 2017). Organizations must therefore focus on those strategies of rewards and recognition due to which motivational level of employee raises, with high rate of employee retention. Correspondingly, employee retention problem can be solved by adopting various proactive retention policies and procedures. Nyaga (2015) stated in his study that those organizations, who invest money on their employees, save much more and can enhance both employee motivation and employee retention.

2.4.1 Training and Development Workshops

Training and Development involves a subsystem of an organization, which highlights on the enhancement of the performance of employees. Training entails an educational process involving the sharpening of skills and concepts, change of attitude and acquisition of more knowledge to enhance performance of the employee (Robinson, 2015). The lack
of adequate training of employees is a cause for turnover. Training includes that of management too. Managers sometimes are not trained and oriented to deal with and prevent certain situations, which cause management to miss the signs and warnings creating personnel management problems within the organization (Cao, Chen, & Song, 2013). In addition, some managers are under the mistaken impression that turnover is simply going to happen and there is nothing to do to stop it. Granted, turnover cannot be stopped one hundred percent, yet it may be minimized dramatically by taking the proper actions and precautions (Gieter & Hofmans, 2015).

According to (Sobain, 2011), there exists a positive relationship between training and employee turnover. The anticipation of future financial benefits, promotions and recognition motivates the employee to adapt new skills and technology at the training program (Wanda, 2010). A training program that starts with a needs assessment and then inconsistency between actual and standard performance of trainee is analyzed. Later on training objectives are made. After determining who wants the training and what sort of training should be given, the training program is implemented. The last step of the process is to evaluate the effectiveness of training programs.

Training impacts positively on employee performance and hence retention. The lack of training will result in ignorance of the manager about the skills, competencies and knowledge that are decisive for the performance improvement and turnover (Msengeti & Obwogi, 2015). Organizations conduct training programs due to dynamic changes in the business environment, which increases the motivation of employees. As a result, the employees are promoted due to the training provided to them. Organizations, which spend more on training of the employee, are more developed as the human resource training enhances the productivity more than any other resources.

Employees are motivated to be trained because they foresee an increase in their confidence level, self-esteem and career satisfaction. The training and development brings more future opportunities for promotion. An involvement of employees in the training program and determining their training needs gives them ownership of the training process and add value to the performance and hence they become more willing to stay in that organization (Khan et al., 2017).
The lack of career development opportunities affects employee morale and turnover. If employees are offered opportunities for developing their careers by adapting skills, technologies and competencies essential for performance improvement and promotion, they will feel valued and motivated hence lowering the turnover (Cao, Chen, & Song, 2013). Khan (2014) argues that employee turnover is a goal-oriented behavior. According to this concept employees can be motivated if their expectations concerning the goal accomplishment are linked with the specific actions on the part of management. Hence, employee turnover will improve with the realization that the course of action will not only lead to accomplishment of goals but results in greater chances for their promotions (Allen & Bryant, 2018).

The provision of opportunities for learning and growth of the organizations can retain the employee. Organizations pay more attention on developing their employees and enhancing their motivational aspects like self-esteem and self-actualization. Therefore, they can reach the most favorable performance. Equal opportunities for career advancement and equitable payment system and training can reduce turnover of employees (Robinson, 2015).

2.4.2 Performance Management Systems

Performance management refers to the systematic process by which the organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals (Gieter & Hofmans, 2015). The performance management process is used to communicate organizational goals and objectives, reinforce individual accountability for meeting those goals, and track and evaluate individual and organizational performance results (Hartog, Boon, & Croon, 2012). It reflects a partnership in which managers share responsibility for developing their employees in such a way that enables employees to contribute to the organization. It is a clearly defined process for managing people that is intended to result in success for both the individual and the organization as well achieve a lower rate of employee turnover (Ngcobo & Naidoo, 2015).

The purpose of performance management is to inform employees that the organization is interested in their professional development. It signals the message that employees contribution plays significant role in the organizational success. As a result, employees
are motivated to contribute more towards the organizational success because they are given recognition and appreciation for their contribution. The performance appraisal motivates the competent employees by rewarding them. This is how less competent employees will get inspiration from competent employees and will be motivated to perform well. The employee will feel valued if they are given career development opportunities, which will lead them to move one-step ahead on the promotion ladder (Ali, Amin, & Hamid, 2016).

According to (Sobain, 2011), performance management retains the employees by rewarding and compensating them for their efforts and contribution to the organization. It motivates the employees by providing career development and training opportunities. The motive behind the performance appraisal is to make the employees feel that the organizational success is because of their contribution. Hence, employees desire to contribute further increases because of recognizing their contribution through an efficient performance appraisal.

The objective behind the fair performance appraisal is to motivate the workforce by rewarding the high performers. In this way, it stimulates the average and low performers to follow the high performers in expectation of rewards and in turn improves turnover. It also communicates the employees that the organization is authentically concerned about their development. As a result, the employee commitment and motivation increases. The performance appraisal involves comparing the employee job behavior with standards and giving feedback on their improvement areas (Allen & Bryant, 2018). This is how the process of performance appraisal contributes towards the employee motivation. Ultimately, it leads to an inner commitment to improved performance.

The intent behind the organization's investment in the career development needs of the employees is to increase the employee self-esteem, motivation and retention with their professional development. Employees in the hospitality industry tend to stay longer in their organizations if they are given opportunities for learning and growth because the learning opportunities lead them towards future promotions and career growth (Okioga, 2012). Therefore, the career development opportunity motivates the employees by aligning their expectation with the organizational goals.
2.4.3 Conducive Working Environment

A conducive working environment is more than just ensuring a comfortable physical space; it is also about creating the heartware (Ronra & Chaisawat, 2016). The aim to strengthen the office ties not just among employees but also between managers and employees. According to Ali, Amin and Hamid (2016), this can be carried out in various ways, such as through team-building exercises and monthly lunch get-togethers. In addition, as more Millennials start entering the workforce, it is imperative to ensure work-life balance for all employees. Flexible working hours, or the chance to work remotely all contribute to making sure that there is a distinction between work and personal time (Imran et al. 2017).

The conducive work environment plays an important role in employee turnover since it enhances employee morale. The favorable working conditions also involve comfort issues like elegant uniforms, preventive clothing, lighting and no noise or insults or even mistreatment in the workplace (Feeley, Hwang, & Barnett, 2012). The healthy working condition also involves comfortable furniture, functional design and lightning. The Employee expects the availability of resources, supplies, tools, comfortable seating in order to perform well. The presence of disruptive employees affects the employee’s relationship with the rest of the colleagues in negative way. The insecure and vulnerable environment demotivates the employee. This way the employee is more likely to leave the organization.

A better workplace environment leads to increased employee commitment and retention. It boosts the employee motivation and improves the productivity hence lowering turnover. A work environment where the employee feels that they have reasons for doing work and get pleasure from doing their job motivates that employee to stay. In working conditions where employees are not provided with adequate resources, tools, training, software and supplies lead to de motivation and high turnover. The inefficient working conditions, which include comfort issues like poor ventilation, seating, lightning and noise, can cause anxiety and can be a reason for employees to leave (Liu, Cai, Li, Shi, & Fang, 2014).

The workplace with lack of privacy and communication barriers increases turnover. A healthy work place, which is made by using ergonomic furniture and accessories, lightning and functional design, will diminish distress and improve turnover of
employees. Lack of praise, recognition and promotions in the workplace environment affects the turnover of employees (Khan, 2014). The presence of troublesome and negative employees also influences the employee’s relationship with rest of colleagues in a negative way. As a result, the absenteeism rate increases and they are less likely to continue the job. Relationship with the coworker, equal opportunities for promotions, responsibility and autonomy are also components of working environment, which can affect the turnover (Liu et al. 2014). Management should improve working conditions in order to improve satisfaction and motivate the employees. Since employees are not robots, so the workplace can also have a gym and lounge for the wellbeing of employees.

The process to systemize the tasks, duties and responsibilities called job design is also key as far as employee turnover is concerned. It aims at enhancing employee satisfaction and accomplishing organizational goals by designing the content, methods and connection of jobs, according to the aptitude and abilities of employees (Kim et al. 2017). The job design can play an effective role in motivating the employee by organizing the tasks in a way that are interesting and challenging at the same time.

According to Surji (2013), a well-designed job can increase the employee morale by reducing the monotony and repetition of work. The perceived work demands, job control and social support through job design leads to improved turnover. The job design can be improved by implementing the HR interventions like job rotation, job enrichment and job enlargement (Khan et al., 2017). These interventions are helpful in terms of creating a challenging work environment with varying the job aspect, which enhances the employee morale and satisfaction. Flexible work schedules and job sharing also facilitate the employee and are helpful in improving turnover. The flexible work schedule allows the employee to determine their arrival and departure time and to perform their duties during the core time. In job sharing, two employees can share their duties on one job.

2.5 Chapter Summary

In chapter two, relevant literature relating to the research questions was reviewed. The literature demonstrated that there is a link between communication, reward, and training and employee turnover. Chapter three will include a description of the methods and procedures, which were used to conduct the study. This involves the research design, population, sampling design and the collection and analysis of data.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter illustrates the general methodology used in conducting the research project. It elaborates on the research design, the population including a sample design, the research procedure, the data collection and data analysis methods and then concludes with a summary.

3.2 Research Design

Cooper and Schindler (2014) define a research design as the structure that is applied to data collection and analysis with a goal of resolving the research questions of the study. The study adopted a descriptive research design aimed at establishing the factors affecting employee turnover at Hill Park. Gill and Johnson (2010) define a descriptive research design as a holistic approach, which aims at obtaining information about the current status of an occurrence and defines a subject with respect to variables (Gill and Johnson, 2010). This study explored how organizational communication and rewards, which are the independent variables, influence employee turnover, which is the dependent variable in the hospitality industry. A descriptive design was employed as it enable the researcher to collect exhaustive information about the population being studied. The descriptive research design gave proper and concise recommendations to the management of Hill Park Hotel Limited. The method of research design chosen is appropriate because of the different positions of the respondents; it is timesaving and cost effective and seeks to generate quality information concerning how organizational communication, financial rewards and non-financial rewards affect employee turnover in the hospitality industry.

3.3 Population and Sampling Design

3.3.1 Population

A population of a study refers to the total number of units that incorporate the study subject that the researcher wishes to examine (Cooper & Schindler, 2014). Cases or objects with some common characteristics to which the researchers will generalize the results of the study (Mugenda & Mugenda, 2013). In this study, the target population was 135 employees of Hill Park Hotel as shown in Table 3.1 below all from various
departments with their different positions. All the employee records were obtained from Hill Park Hotel Human Resource department.

Table 3. Target Population

<table>
<thead>
<tr>
<th>Department</th>
<th>Total Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior managers</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td>Middle level managers</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Support staff</td>
<td>100</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>135</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Hill Park Hotel Database 2018

3.3.2 Sampling Design

Sampling refers to the process by which part of the population is selected and conclusions are drawn about the entire population (Cooper & Schindler, 2014). The sampling design in detail depicts the sampling frame, sampling techniques and the sample size.

3.3.2.1 Sampling Frame

The sampling frame for this study consists of 150 employees from various departments of Hill Park Hotel. The list from which the sample was drawn was obtained from the human resource department of Hill Park Hotel. This number formed the sampling frame. The sampling frame according to current statistics is presented in table 3.1. Sampling frame refers to the list of elements from which the sample is drawn, and is closely related to the population (Cooper & Schindler, 2014). It is a complete and correct list of population members only.

3.3.2.2 Sampling Technique

Sampling is defined as any procedure that draws conclusions based on measurements of a portion of the population (Levy & Lemeshow, 2012). The stratified sampling method was preferred for this study because of the different categories that make up the employment levels, making it difficult to identify single academic strata. This is a sampling method whereby population is divided into smaller groups known as strata (Fowler, 2013). The strata’s in this study were the different employment levels within the different departments at Hill Park Hotel.

The three main benefits of stratified sampling are as follows; it provides adequate data for analyzing the various subpopulations, it increases a sample’s statistical efficiency and it enables different research methods and procedures to be employed in different strata (Cooper & Schindler, 2014).
The study population was segmented based on various departments of Hill Park Hotel and comprised: Front Office, House Keeping, Food Production, Finance, Service, Human Resources and Administration. This ensured representation across the various departments. Proportionate stratified sampling approach was used.

3.3.2.3 Sample Size

A sample size is defined as the number of elements selected from a given population (Levy & Lemeshow, 2012). A sample size is a sample that is selected from a population in a way that ensures that every different possible sample of the desired size has the same chance of being selected (Creswell, 2013). The researcher sampled 100 employees. This study employed Yamane’s formula to determine the sample size as follows:

\[ n = \frac{N}{1 + Ne^2} \]

Where:

\( n \) = Sample size

\( N \) = Population size

\( e \) = Degree of accuracy; Margin of error

Therefore \( N = 135, e= 5\% \)

Thus, with a population of 135, at 95% confidence level, the sample size was:

\[ 100 = \frac{135}{1 + 135(0.05)^2} \]

Table 3.2 Sample Size Distribution of Employees

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage %</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top level management</td>
<td>15</td>
<td>74</td>
<td>11</td>
</tr>
<tr>
<td>Middle level management</td>
<td>20</td>
<td>74</td>
<td>15</td>
</tr>
<tr>
<td>Support Staff</td>
<td>100</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>TOTALS</td>
<td>135</td>
<td>74</td>
<td>100</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

According to Cooper and Schindler (2014), data collection refers to the act of gathering all data from respondents of the study in a manner, which is established and systematic with an aim to answer the research questions. This study employed a structured questionnaire approach to collect data. This method is considered to be more appropriate due to the nature of information required which is very confidential to the respondents and they would not have been free to discuss this information in a face-to-face interview.
The questionnaire made use of the Likert scale of 5 measurements (Strongly Disagree, Disagree, Moderate, Agree, and Strongly Agree). Part ‘A’ consisted of the demographic data; Part ‘B’ had questions for research question 1; Part ‘C’ had questions for research question 2; Section ‘D’ had questions for research question 3; while Part ‘E’ had questions for employee turnover (dependent variable). According Cooper and Schindler (2014), questionnaires are a significant tool in research for collecting primary data. Therefore, for this study, the use of questionnaires was justified to the extent that the study was to capture only primary data. The questionnaires comprised both closed ended and open ended questions.

3.5 Research Procedures

A tailor-made structured questionnaire was be developed by the researcher, in regards to this study. The data collection method used was a structured questionnaire and more precisely, a self-administered structured questionnaire. The data collection instrument; structured questionnaire was pilot tested with 20 respondents representing the various departments at Hill Park Hotel. The problems that were encountered during piloting testing of the data collection instrument were addressed by making necessary amendments to the questionnaire before administering it to the whole population. After revision of the data collection instrument, the whole population sample was subjected to the data collection instrument. Follow up was done through telephone calls and email reminders by the researcher to improve on the return rate. This information was further uploaded onto Statistical Program for Social Scientists (SPSS) platform, cleaned, coded and then analyzed.

3.6 Data Analysis

Data editing and coding was done by the researcher to reduce error during the data entry stage and ensure that clean data was used for analysis. The purpose of data analysis is to minimize accumulated data to a manageable size, develop summaries, look for patterns, and apply statistical techniques (Cooper & Schindler, 2014). The methods used to analyze data included percentages and frequencies; means and standard deviations while correlation analysis was used to draw inferences on the significance of relationships between the independent and dependent variables. Statistical Package for Social Scientists (SPSS) version 22 was used to facilitate the data analysis. The results were presented in form of tables and graphs.
3.7 Chapter Summary

In this chapter, the general research design used and defined the population and sampling plan. The data collection methods and research procedures used were described, along with the data analysis methods used in order to use the data to be collected to answer the research questions.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the study findings gathered from the analyzed questionnaires. The chapter presents the demographic results of the respondents, the results for the effect of organizational communication on employee turnover, results for the effect of financial rewards on employee turnover and the results for the effect of non-financial rewards on employee turnover, a case of Hill Park Hotel.

4.2 Response rate

An analysis of the response rate was conducted to establish the total number of the respondents who completed and submitted back the questionnaires. The researcher issued out 100 questionnaires and 81 were received from the respondents. The study therefore had a response rate of 81% as shown in Table 4.1.

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaires Issued</td>
<td>Frequency: 100</td>
</tr>
<tr>
<td>Questionnaires Returned</td>
<td>Frequency: 81</td>
</tr>
</tbody>
</table>

Table 4.1 Response Rate

4.3 Demographic Information

4.3.1 Respondents’ Gender

The study aimed to determine the respondents’ gender and hence asked the respondents to state their gender. The findings were presented in Figure 4.1. It was noted that 59% were male while 41% were female. The results from the study indicated that the male population was higher than that of females. This shows that the nature of the hospitality industry is dynamic when it comes to gender with both males and females almost dominating in equal measures.
The study aimed to establish the respondents’ age categories and therefore asked the respondents to state their age group. The findings were presented in Figure 4.2. The results show that the majority 57% were between 31-40 years, 32% between ages 26-30 years, 9% between 41-50 years, 2% between 20-25 years and 1% of the respondents were within the age bracket of 51 years and above. This showed that a majority of the respondents had stayed in the organization for a long time hence they understood the problems that caused most of the employees to leave the organization.
4.3.3 Education Level

The study sought to find out the highest education level held by the respondents and therefore asked the respondents to indicate their highest qualification in terms of education. The findings were presented in Figure 4.3. From the study findings, it was noted that 77% of the respondents were middle college graduates, 20% held university degrees while only 2% had secondary education as their highest qualification. The results show that most of the respondents had academic qualifications from college level and therefore understood the factors influencing employee turnover in the organization.

![Chart showing Education Levels]

**Figure 4.3 Respondents’ Education Level**

4.3.4 Position Held in the Organization

The study sought to find out the positions, which the respondents occupied in the organization. The respondents were therefore asked to indicate their respective positions. The findings were shown in Figure 4.4. From the findings of the study, it was noted that 64% of the respondents worked as support staff while 26% were middle level managers and 10% of the respondents were senior managers. This shows that the aspect of employee turnover was considered from all ranks in the organization.
4.3.5 Respondent’s Department

The respondents were asked to indicate the department that they worked in. From the study findings, it was noted that 43.5% of the respondents worked in food and beverages department, 36% worked in health and fitness department, while 21% worked in Administration and Human Resource. These results were shown in Figure 4.5.
4.3.6 Number of Years Worked in the Organization

The study sought to establish the number of years that each respondent had worked in the organization. The respondents were asked to indicate the category in which they fall with regards to the number of years worked. The findings were presented in Figure 4.6. The results show that majority 65% had worked for the organization for a period of 1-5 years, 32% for a period of 6-10 years, while 2% had stayed in the organization for less than a year. This indicated that most of the respondents had quit some working experience and were knowledgeable on the factors affecting employee turnover at their organization.

![Figure 4.6 Number of Years Worked in the Organization](image)

4.4 Effect of Organizational Communication on Employee Turnover

The first objective of the study was to establish the effect of organizational communication on employee turnover. The findings were presented in Table 4.2.
As can be observed in Table 4.2, the item on whether the communication between peers built a team oriented work environment had a mean of 4.519 and a standard deviation of 1.1342. The respondents agreed that new capabilities are built through peer-to-peer communication with a mean of 4.321 and a standard deviation of 0.8489. The item as to whether the respondents gain a sense of unity when communicating with their seniors had a mean of 4.235 and a standard deviation of 0.8554. The item on whether the poor communication with co-workers could cause respondents to leave the organization had a mean of 4.160 and a standard deviation of 1.0747. The item on whether the respondents initiate interactions with management had a mean of 4.111 and a standard deviation of 1.0124. The item on frequent communication with management had a mean of 3.605 and a standard deviation of 1.0208. The item on whether the respondents were open to present their thoughts and ideas to management had a mean of 3.556 and a standard deviation of 1.0607. The item on whether the respondents’ opinions were highly valued had a mean of 3.506 and a standard deviation of 0.8235. The item on whether the respondents received feedback on queries had a mean of 3.494 and a standard deviation of 0.7925. Finally, the respondents were asked whether they normally received newsletters and other messages timely recording a mean of 3.000 and a standard deviation of 1.1402.
4.4.1 Pearson Correlation for Organizational Communication and Employee Turnover

The study sought to determine whether there existed any relationship between organizational communication and employee turnover. This was done through a correlation analysis where each question was run against the dependent variable. A summary of the findings is presented in Table 4.3.

The results reveal that there is a significant correlation between employees being open to present their own thoughts and ideas to management and employee turnover (R=.490, p<0.01). The results show that there is a significant relationship between employees’ opinions in the organization being highly valued and employee turnover (R=.382, p<0.01). The results in the table reveal that there is a significant correlation between timely receipt of newsletters and employee turnover (R=.376, p<0.01). The results reveal that there is a significant correlation between employees being able to build new capabilities when they communicate with their peers and employee turnover (R=.370, p<0.01). In addition, the results also show that there is a significant correlation between communication with seniors creating a sense of unity and employee turnover (R=.258, p<0.01).

The results reveal that there was a negative but significant correlation between team oriented work environment and employee turnover (R=-.241, p>0.05). The results show that there is a no significant correlation between employees receiving feedback on queries and employee turnover (R=.204, p<0.05). The results show that there is no significant correlation between employees initiating interactions with management and employee turnover (R=.151, p<0.05). The results show that there is no significant correlation between poor communication with co-workers and employee turnover (R=-.061, p<0.01).
Table 4.3 Organizational Communication Correlations

<table>
<thead>
<tr>
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<td>Communicate with management often</td>
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<td>.001</td>
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<td></td>
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<tr>
<td>Initiate interactions with supervisors</td>
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<td>.376</td>
<td>1</td>
<td>.130</td>
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<td>Communication with seniors creates a sense of unity</td>
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<td>.334**</td>
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<td>.000</td>
<td>.003</td>
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<td>Receive newsletters and other messages timely</td>
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<td>.325</td>
<td>.282*</td>
<td>.205</td>
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<td>.256</td>
<td>.326**</td>
<td>.652**</td>
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<td>.325**</td>
<td>.470**</td>
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<td>.185</td>
<td>.372**</td>
<td>.404**</td>
<td>.175</td>
<td>.130</td>
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<td>Communication between peers builds a team oriented work environment</td>
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<td>.096</td>
<td>.176</td>
<td>.203</td>
<td>.147</td>
<td>.299**</td>
<td>-.126</td>
<td>.501**</td>
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<td>Poor communication with co-workers can cause me to leave the organization</td>
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<td>.305</td>
<td>.321**</td>
<td>-.019</td>
<td>.247*</td>
<td>.272</td>
<td>.320**</td>
<td>.116</td>
<td>.149</td>
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<tr>
<td>I build new capabilities when I communicate with my peers</td>
<td>.370**</td>
<td>.327</td>
<td>.360**</td>
<td>.207</td>
<td>.140</td>
<td>.337**</td>
<td>.521**</td>
<td>.186</td>
<td>.465**</td>
<td>.356**</td>
<td>1</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

4.5 Effect of Financial Rewards on Employee Turnover

The second objective of the study was to establish the effect of financial rewards on employee turnover. The findings were presented in Table 4.4.
Table 4.4 Financial Rewards Descriptive

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My salary motivates me to work longer for the organization</td>
<td>81</td>
<td>2.593</td>
<td>1.2122</td>
</tr>
<tr>
<td>I always receive an annual pay rise</td>
<td>81</td>
<td>2.173</td>
<td>1.0582</td>
</tr>
<tr>
<td>I earn a competitive salary compared to other workers in this industry.</td>
<td>81</td>
<td>2.284</td>
<td>.8549</td>
</tr>
<tr>
<td>My salary is in line with my level of skills &amp; experience</td>
<td>81</td>
<td>2.605</td>
<td>.9176</td>
</tr>
<tr>
<td>I receive same amount of pay as my other workmates who do similar duties</td>
<td>81</td>
<td>2.111</td>
<td>1.1292</td>
</tr>
<tr>
<td>The organization provides me with transport to and from my work place</td>
<td>81</td>
<td>2.963</td>
<td>1.4615</td>
</tr>
<tr>
<td>I receive health insurance benefits</td>
<td>81</td>
<td>3.111</td>
<td>1.3509</td>
</tr>
<tr>
<td>My employer has a pension plan for me</td>
<td>81</td>
<td>2.296</td>
<td>1.1450</td>
</tr>
<tr>
<td>My organizations treats all employees with equity and fairness when it comes to annual leave</td>
<td>81</td>
<td>4.086</td>
<td>1.0747</td>
</tr>
<tr>
<td>My organization sponsors me for vacations once in a while</td>
<td>81</td>
<td>1.778</td>
<td>.8944</td>
</tr>
</tbody>
</table>

As can be observed in Table 4.4, the item on whether the respondents were treated all with equity and fairness when it came to annual leave had a mean of 4.086 and a standard deviation of 1.0747. This was followed by the item on whether the respondents received health insurance benefits, which had a mean of 3.111 and a standard deviation of 1.3509. The item on whether the respondents were provided with transport to and from their work place had a mean of 2.963 and a standard deviation of 1.4615. The item on whether the respondents’ salaries were in line with their level of skills and experience recorded a mean of 2.605 and a standard deviation of 0.9176. The item on whether salary was a motivation to work longer for the organization had a mean of 2.593 and a standard deviation of 1.2122. The item on whether the respondents’ employer had a pension plan for them had a mean of 2.296 and a standard deviation of 1.1450. The item on whether the respondents salary was competitive compared to their colleagues in the industry had a mean of 2.284 and a standard deviation of 0.8549. The item on whether the respondents received annual pay rise had a mean of 2.173 and a standard deviation of 1.0582. The item on whether the respondents received the same amount of pay as their other workmates who do similar duties had a mean of 2.111 and a standard deviation of 1.1292. Finally, the respondents were asked whether the organization sponsored them for vacations occasionally recorded a mean of 1.778 and a standard deviation of 0.8994.
4.5.1 Pearson Correlation for Financial Rewards and Employee Turnover

The study sought to determine whether there existed any relationship between financial rewards and employee turnover. This was done through a correlation analysis where each question was run against the dependent variable. A summary of the findings is presented in Table 4.5.

The results also show that there is a significant correlation between salary as a motivator and employee turnover (R=0.731, p<0.01). The results also show that there is a significant correlation between earning a competitive salary and employee turnover (R=0.632, p<0.01). The results reveal that there is a significant correlation between annual pay rise and employee turnover (R=0.592, p<0.00). In addition, the results also reveal that there is a significant correlation between receiving same amount of pay among workers and employee turnover (R=0.444, p<0.00).

The results reveal that there is a significant correlation between sponsored vacations and employee turnover (R=0.411, p<0.01). The results in the table reveal that there is a significant correlation between aligning salary with the level of skills and experience and employee turnover (R=0.370, p<0.01). The results show that there is a significant relationship between receiving health insurance benefits and employee turnover (R=0.322, p<0.01).

The results show that there is a significant relationship between fairness and equal treatment and employee turnover (R=0.277, p<0.01). The results show that there is a significant relationship between provision of transport and employee turnover (R=0.224, p<0.05). The results show that there is no significant relationship between having a pension plan and employee turnover (R=-0.204, p<0.05).
4.6 Effect of Non-financial Rewards on Employee Turnover

The second objective of the study was to establish the effect of financial rewards on employee turnover. The findings were presented in Table 4.6.
Table 4.6 Non-financial Rewards Descriptives

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My organization sponsors me for work related trainings</td>
<td>81</td>
<td>3.494</td>
<td>1.1415</td>
</tr>
<tr>
<td>I regularly attend development workshops</td>
<td>81</td>
<td>2.691</td>
<td>1.3195</td>
</tr>
<tr>
<td>Training leads to career satisfaction</td>
<td>81</td>
<td>4.370</td>
<td>0.8580</td>
</tr>
<tr>
<td>The training I receive motivates me to stay to the organization</td>
<td>81</td>
<td>3.679</td>
<td>1.0226</td>
</tr>
<tr>
<td>In my organization, I often undergo performance appraisal</td>
<td>81</td>
<td>4.259</td>
<td>0.5652</td>
</tr>
<tr>
<td>I receive recognition &amp; appreciation for improved performance</td>
<td>81</td>
<td>2.951</td>
<td>1.3219</td>
</tr>
<tr>
<td>My organization invests in my career development needs</td>
<td>81</td>
<td>2.815</td>
<td>0.9632</td>
</tr>
<tr>
<td>I enjoy a comfortable work environment</td>
<td>81</td>
<td>3.728</td>
<td>0.7748</td>
</tr>
<tr>
<td>I have access to resources that I need for my work</td>
<td>81</td>
<td>3.272</td>
<td>1.1069</td>
</tr>
<tr>
<td>My job description is well designed</td>
<td>81</td>
<td>3.111</td>
<td>1.2942</td>
</tr>
</tbody>
</table>

As can be observed in Table 4.6, the item on whether training had enhanced respondents’ confidence level and led to career satisfaction had a mean of 4.370 and a standard deviation of 0.8580. The item on whether the respondents undergo performance appraisals had a mean of 4.259 and a standard deviation of 0.5652. The item on whether the respondents enjoy a comfortable working environment had a mean of 3.728 and a standard deviation of 0.7748. The item on whether training is an important factor for working in the organization longer had a mean of 3.679 and a standard deviation of 1.0226. The item on whether the respondents received organizational sponsorships for work related trainings had a mean of 3.494 and a standard deviation of 1.1415. The item on whether the respondents had access to resources needed for their work had a mean of 3.272 and a standard deviation of 1.1069. The item on whether the respondents’ job descriptions were well designed recorded a mean of 3.111 and a standard deviation of 0.8994. The item on whether the respondents received recognition and appreciation for improved performance had a mean of 2.951 and a standard deviation of 1.319. The item on whether the organization invested in the career development needs of respondents had a mean of 2.815 and a standard deviation of 0.9632. Finally, the item on whether the respondents regularly attended development workshops had a mean of 2.691 and a standard deviation of 1.3195.
4.6.1 Pearson Correlation for Non-financial Rewards and Employee Turnover

The study sought to determine whether there existed any relationship between non-financial rewards and employee turnover. This was done through a correlation analysis where each question was run against the dependent variable. A summary of the findings is presented in Table 4.7.

The results show that there is a significant relationship between training leading to increased motivation and employee turnover ($R=.780, p<0.01$). The results show that there is a significant relationship between training leading to enhanced career satisfaction and employee turnover ($R=.653, p<0.01$). The results show that there is a significant relationship between well-designed job descriptions and employee turnover ($R=.445, p<0.01$).

The results in the table reveal that there is a significant correlation between a conducive working environment and employee turnover ($R=.394, p<0.01$). The results also show that there is a significant relationship between recognition for excellent performance and employee turnover ($R=.383, p<0.01$). In addition, the results also reveal that there is a significant correlation between access to work resources and employee turnover ($R=.328, p<0.01$). The results also show that there is a significant correlation between performance appraisal and employee turnover ($R=.303, p<0.01$).

The results reveal that there is no significant correlation between development workshops and employee turnover ($R=-.131, p<0.05$). The results also show that there is no significant relationship between career development needs and employee turnover ($R=.084, p<0.05$).
### Table 4.7 Non-financial Rewards Correlations

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<td>.398</td>
<td>.441</td>
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<td>.304</td>
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<td>.000</td>
<td>.000</td>
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<td>.006</td>
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<td>resources that I need for</td>
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<td>-.241</td>
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<td>.409</td>
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<td>my work</td>
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<td>.030</td>
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<td>.000</td>
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<td>.995</td>
<td>.001</td>
<td>.000</td>
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<td>My job description is</td>
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<td>.323</td>
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<td>well designed</td>
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</tr>
</tbody>
</table>

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

*. Correlation is significant at the 0.05 level (2-tailed).

### 4.7 Rating the Level of Employee Turnover in the Organization

The study sought to determine the level of employees’ turnover in the organization and hence asked the respondents to rate the level of employees’ turnover. The findings were presented in figure 4.7. The results show that majority 61% of the respondents rated the level of employees turnover in the organization to be average, 21% indicated that the level of employee turnover was high, 10% rated the level of employee turnover to be very low, 7% low and 1% very high.
4.8 Chapter Summary

This chapter has presented the results and findings of the analyzed data. Frequency percentages have been used to analyze the demographic responses. Means and standard deviations have been used to analyze the likert questions of the study and correlation analysis has been employed to determine the strength of the relationship between the independent and dependent variables. Chapter five presents the discussion of the study, conclusion and makes recommendations for the study as well.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion, conclusion and recommendations of the study. It first provides a summary of the study findings. It then highlights the discussion on organizational communication and employee turnover first, followed by discussion on financial rewards and employee turnover and finally discussion on non-financial rewards and employee turnover. The study conclusion and recommendations are also presented in a similar order.

5.2 Summary

The general purpose of the study was to determine the factors influencing employee turnover in the hospitality industry: a case of Hill Park Hotel. The study was guided by the following research questions: To what extent does organizational communication affect employee turnover at Hill Park Hotel? How do financial rewards affect employee turnover at Hill Park Hotel? and How do non-financial rewards affect employee turnover at Hill Park Hotel?

The study made use of a descriptive research design. The population of the study was 135 employees of Hill Park Hotel. Stratified random sampling was used to select a sample size of 100 respondents. Self-administered structured questionnaires were used to collect primary data. The questionnaires were distributed for two weeks as was scheduled. Descriptive statistics such as percentage frequencies, mean and standard deviation were employed in analyzing the collected data. Pearson’s product-moment correlation coefficient was used to determine the strength of the relationship between the independent and dependent variables. Statistical Package for Social Sciences (SPSS) software version 21 was used to analyze data. The data was presented in the form of tables, figures and charts.

The findings on the extent to which organizational communication has influenced employee turnover revealed that organizational communication is a major determinant of employee turnover. The results revealed that employees take the initiative to communicate with their seniors and that this instills a sense of unity in the organization. On the part of peer communication between employees, the results revealed that
communication between co-workers helps in building a team oriented work environment. The results showed poor communication between peers can be a reason for employees to exit the organization. The results also revealed that new capabilities are built through peer communication.

A majority of respondents felt that the organization had deprived them off financial rewards revealing its intensity on the case of employee turnover by rating the effectiveness financial rewards on employee turnover to be low. Most respondents felt that their salaries were not motivating them at all to work longer for the organization. The results showed that the respondents rarely received annual pay increase. The findings revealed that the respondents’ salary packages were not competitive compared to the industry average and that their salaries did not match their level of skills and experience. The results showed that organizational benefits and allowances was a key area for concern with many of them indicating minimal benefits received or none at all. When it comes to annual leave and vacations, the respondents acknowledged that there existed equal treatment among the employees in terms of being awarded annual leave.

With regard to non-financial rewards and employee turnover, findings from the study revealed that training and development is a key driver towards career satisfaction. However, results from the respondents indicated that sponsorship on trainings was missing which showed that the organization did not take into account the career development needs of their employees. The results showed that the respondents were subjected to performance appraisal. However, the results showed that the respondents were not recognized for improved performance. The results of the study also revealed that respondents did not enjoy a conducive work environment terming lack of access to work resources and lack of well-designed job descriptions as the key issues.

5.3 Discussion

5.3.1 Organizational Communication and Employee Turnover

The study findings revealed that organizational communication was a key contributor to employee turnover. Hartog, Boon and Croon (2012) state that organizational communication is a critical aspect in retaining employees, fostering trust and respect and increasing productivity. The study findings revealed that employees had no difficulty in initiating interactions with management. This showed that employees had trust in
management and the level of understanding between the two parties was considerably high. Gaithe (2012) noted that organizational communication is better understanding between the employer and employee and commitment by employees in achieving bottom-line results.

The study findings revealed that the communication between employees and their seniors creates a sense of unity in the organization. Unity is a key factor towards working for the achievement of one common goal. This argument has been upheld by Raina and Roebuck (2014) who states that effective organizational communication brings a feeling of belonging to the employees, which increases motivation and hence retention. The findings also concur with those of Feeley, Hwang, and Barnett (2012) who noted that organizational communication between juniors and seniors provides a platform to work for one common goal and creates unity among the employees; it facilitates delegation and in the end, it contributes to higher retention.

The study findings also revealed that some aspects such as timely communication in form of newsletters and memos and lack of feedback on queries were negatively contributing to the rate of employee turnover. Akpinar et al., (2013) argues that organizations must retain their staff through various forms of communication, which include awards, newsletters, meetings, telephone calls and formal and informal discussions. The study findings also revealed that the employees were not open to present their thoughts and ideas to management. Surji, (2013) added that enabling employees to contribute inform of thoughts and ideas empowers them directly and indirectly to contribute to the decision-making process. Again, feedback is critical aspect in any communication process. This concurs with the findings of Ronra and Chaisawat (2016) who revealed that good interaction between a supervisor and subordinates creates good feedback from employees, thus, making employees feel that management values their opinions and is interested in their perspective.

The findings of this study revealed that peer communication between employees could affect turnover rate with respondents indicating that poor communication between co-workers could cause them to exit the organization. Gaithe (2012) noted that an employee who is satisfied with team communication in an organization tends to report that their work is easier to be implemented and hence is willing to stay longer in the organization. The study findings revealed that communication between co-workers aided in building a
team oriented work environment. This is in line with the findings by Munish and Agarwal (2017) who proposed that peer communication could create a team-oriented work environment. A good communication in a work group would lead to low turnover. The study findings also found out that communication among peers helps in building new capabilities. This concurs with the findings by Satpathy and Das (2014) who highlighted that peer communication among employees involves the exchange of information, ideas, opinions and feedback with and among employees to collaborate in a work environment.

5.3.2 Financial Rewards and Employee Turnover

The study findings showed that financial rewards were significant in determining the rate of employee turnover. The findings revealed that the employees’ salaries were not motivating them enough to work longer for the organization. This is in line with the findings by Ongori (2012) who concluded that when employers provide adequate financial incentives, there are high chances that employees will remain with the organization and vice versa. Khan (2014) noted that poor remuneration, that is, very low wage or salary will cause employees to search for greener pastures. Ali, Amin and Hamid (2016) also noted that employees who feel unsatisfied with their present pay begin their job search unnoted. However, the findings contradict those of Terera and Ngirande (2014) who state that when money is used to recognize employees for the good work done, it may send wrong signals to the employees; the emphasis put on monetary rewards drives employees to reach for individual gains and reduces teamwork.

The study findings revealed that the employees were not subject to an annual pay rise. Imran, Syed, Ashfaq and Anwar (2017) noted that as the organization grows and makes profits, employees would normally expect pay-raise annually. The salary of employees should commensurate their efforts to increase their morale and their degree of commitment. The study findings again revealed that the salaries paid to employees did not match their level of skills and experience. The employees also felt that their pay was not at par with what other organizations in the industry were offering. This was leading to low morale among the employees. This is in line with the findings by Okioga (2012) who narrates that organizations which attempt to keep salary and compensation information private can lead dissatisfaction and animosity among employees. Gieter and Hofmans (2015) also stated that management decisions in awarding employees’ compensation should be rational and above board.
The study findings also revealed that there existed a significant relationship between benefits and allowances and the rate of employee turnover. Munap, Badrillah and Rahman (2013) states that such benefits improve employee retention and cost control objectives, while also addressing employees’ growing concerns about a variety of financial issues. The results showed that a majority of employees were not entitled to transport to and from their workplace. According to Jiang, Xiao and Qi (2014), the availability of official transport facility for employees who live far from their workplace would reduce their financial burden and mental stress. Organizations should provide convenience to their staff because it proves helpful in motivating the employees, which in turn affects turnover.

The findings of the study revealed that the organization failed to offer pension plans to employees and health benefits leading to a negative effect on the rate of turnover. This agrees with the findings by Msengeti and Obwogi (2015) who note that health insurance benefits decrease the financial burden of employees and increases their motivation and commitment hence resulting in a low turnover rate. The study findings also revealed that there existed a significant relationship between annual leave and vacations and employee turnover. Khan (2014) states that employees usually feel honored and valued by their organization when they are offered a generous pay out during their annual leave.

5.3.3 Non-financial Rewards and Employee Turnover

The study findings revealed that non-financial rewards go a long way in aiding employee retention. Ameliya and Febriansyah (2017) found out that non-monetary rewards or recognition proved to be a better employee retainer than money. The study findings also revealed that training played a major role in career satisfaction leading to a reduced rate of employee turnover. This complements a study done by (Khan et al., 2017) who found out that an involvement of employees in the training program and determining their training needs gives them ownership of the training process and adds value to the organizational performance and hence they become more willing to stay in that organization. Robinson (2015) also noted that equal opportunities for career advancement and equitable payment system and training lead to reduced rate of turnover among employees.
The study findings revealed that the organization did not sponsor its employees for trainings and workshops, which could be a cause of high employee turnover. This agrees with the study by Msengeti and Obwogi (2015) who found out that the lack of training results in ignorance of the manager about the skills, competencies and knowledge that are decisive for the performance improvement and turnover. The anticipation of future non-financial benefits, promotions and recognition motivates the employee to adapt new skills and technology at the training program. Nyaga (2015) stated in his study that those organizations, who invest money on their employees, save much more and can enhance both employee motivation and employee retention.

The study findings revealed the existence of performance management systems in the organization; however, they appeared to be weak. According to (Sobain, 2011), performance management retains the employees by rewarding and compensating them for their efforts and contribution to the organization. It motivates the employees by providing career development opportunities. The study findings revealed that there was no recognition for improved performance in the organization, which led to increased turnover rate. This is line with Sinha and Sinha (2012) who found out that organizations need to assess and alter their promotion policies in an equitable way, which should enable promotions for candidates to be based on employee performance only.

The study findings revealed that the organization did not invest in the career development needs of the employees leading to high turnover rate. This compliments the findings by Ali, Amin and Hamid (2016) who noted that the employees feel valued if they are given career development opportunities, which will lead them to move one-step ahead on the promotion ladder. According to Okioga (2012), employees in the hospitality industry also tend to stay longer in their organizations if they are given opportunities for learning and growth because the learning opportunities lead them towards future promotions and career growth.

The study findings showed that a conducive work environment was key in determining the rate of employee turnover. A work environment where the employee feels that they have reasons for doing work and get pleasure from doing their job motivates that employee to stay. According to Liu et al., (2014) inefficient working conditions, which include comfort issues like poor ventilation, seating, lightning and noise, can cause anxiety and can be a reason for employees to leave. The study found out that employees
lacked adequate resources needed for them to carry out their work effectively. The findings of the study also revealed that employees’ job descriptions were not well designed hence lowering employee morale and causing a higher rate of turnover. The study agrees with that of Kim et al. (2017) who emphasizes that a well-designed job description aims at enhancing employee satisfaction and accomplishing organizational goals by designing the content, methods and connection of jobs, according to the aptitude and abilities of employees.

5.4 Conclusions

5.4.1 Organizational Communication and Employee Turnover

The overall objective of the study was to determine the factors influencing employee turnover in the hospitality industry with a case study of Hill Park Hotel. The study concluded that the major contributors to organizational communication that impacted negatively on employee turnover included; poor communication with management, lack of timely communication from management, delays in feedback and not enough forums for airing employees’ thoughts and ideas. The study also concluded that peer communication between employees was key in building new capabilities and enhancing a team oriented work environment.

5.4.2 Financial Rewards and Employee Turnover

The study concluded that the inadequacy of financial rewards such as low salaries and wages, lack of annual pay rise, lack of a competitive salary as compared to the industry average and the lack of aligning salaries to employees’ level of skills and experience was a major determinant of high turnover rate. The study also concluded that organizational benefits and allowances such as a transport system and health insurance were not there leading to low morale among the employees. Again, equal treatment was applied to all employees when it came to annual leave. However, sponsored vacations were unheard of leading to employee dissatisfaction and hence negatively affecting the turnover rate.
5.4.3 Non-financial Rewards and Employee Turnover

The study concluded that an improved employee turnover rate is determined by better offers of non-financial rewards to the employees. This include sponsored work trainings and workshops, recognizing employees in cases of improved performance and investing in career development needs of the employee. The study also concluded that a conducive working environment is key in improving employees’ morale and retaining them.

5.5 Recommendations

5.5.1 Recommendation for Improvement

5.5.1.1 Organizational Communication and Employee Turnover

The study recommends that management should hold frequent forums where employees can raise any work related issues. Management should also be able to listen to what employees have to offer in terms of ideas that can move the organization a step ahead and also give timely feedback on the same. Feedback needs to be highly valued for the communication process to be effective. Organizational communication goes a long way in improving the quality of employees’ lives.

5.5.1.2 Financial Rewards and Employee Turnover

The study recommends that management should develop competitive compensation and benefit packages for their employees. Management should be able to understand and research on the current pay rates in the market as well as consider the value of benefits and employee bonuses. Payment should also reflect the level of skills and experience of the employee. Such offers on the employees are likely to be key to retention efforts.

5.5.1.3 Non-financial Rewards and Employee Turnover

The study recommends that there is need to train employees as a way of helping them develop their careers further. When employees are do not undergo training and development, they become demoralized and tend to leave that organization. Employees also need to be recognized when they have performed extremely well. Recognition boosts employee morale even to perform better and hence a plus for the organization too.
5.5.2 Recommendations for Further Studies

This study focused on the factors influencing employee turnover at Hill Park Hotel. The study focused on organizational communication, financial rewards and non-financial rewards. The study recommends that further studies be carried out that will focus on other factors that affect employee turnover. Therefore, further research may help leaders in such industries improve on the employee turnover rate, enabling them to compete more effectively in the hospitality industry.
REFERENCES


Appendix I: Cover Letter

13\textsuperscript{th} March 2018

Dear Respondent,

I’m a Master of Science in Organizational development program at United States International University (USIU). As part of my Master’s Degree requirement I’m expected to successfully conduct Applied Research on a relevant topic in my area of concentration (Employee Turnover).

This study will look at \textbf{Factors Influencing Employee Turnover: A Case of Hill Park Hotel}.

I would like to request that you to spend some of your valuable time (10-15 minutes) to complete this questionnaire to the best of your knowledge. Thank you in advance for accepting to be a positive contributor to our society. Your responses will be treated with the confidentiality it deserves.

To maintain anonymity, I request that you DO NOT write your names on the questionnaire.

Attached is a copy of the introduction letter from the Dean, Chandaria School of Business at United States International University- Africa which certifies that I’m a student in the mentioned program.

Yours Sincerely,

Margaret Mburu (Masters Student)

For more information please contact on:
Tel. +254 725350320
Email- maggie.mburu@gmail.com
Appendix II: Questionnaire

Factors Influencing Employee Turnover in the Hospitality Industry in Kenya: A Case Study of Hill Park Hotel

Part A: General Questions (please tick as appropriate):

1. **Gender:** Male (……) Female (……)

2. **Age:**
   - 20-25yrs (……)
   - 26-30yrs (……)
   - 31-40yrs (……)
   - 40-50yrs (……)
   - 50 and above (……)

3. **Education level:**
   - Primary (……)
   - Secondary (……)
   - College (……)
   - University (……)

4. **Position held in the organization:**
   - Senior manager (……)
   - Middle level manager (……)
   - Support staff (……)

5. **Which department are you in?**

   ...............................................................

6. **How many years have you worked in your current position?**

   - Less than 1 year (……)
   - 1 – 5 years (……)
   - 6 – 10 years (……)
   - 11 – 15 years (……)
   - 16 – 20 years (……)
   - More than 20 years (……)
7. I am currently looking for a better job elsewhere in the hospitality industry.
   □ True   □ False

8. I am intending to leave my job in the hospitality industry and consider another career.
   □ True   □ False

9. I am satisfied with my career and enjoy working in the hospitality industry.
   □ True   □ False

Part B: Organizational Communication and Turnover

<table>
<thead>
<tr>
<th>Employee to Manager Communication</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</thead>
<tbody>
<tr>
<td>1. I communicate with management very often</td>
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<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. I normally initiate interactions with my supervisor</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>3. Communication with my seniors gives me a sense of unity</td>
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<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. I receive newsletters and other messages timely</td>
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<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. My opinions in the organization are highly valued</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6. I normally receive feedback on queries</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7. I am open to present my own thoughts and ideas to management</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Peer Communication between Employees</th>
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<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td>8. Communication between my workmates and I builds a team oriented work environment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9. Poor communication with my co-workers can cause me to leave the organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10. I build new capabilities when I communicate with my peers</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</table>
## Part C: Financial Rewards and Turnover

<table>
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<tr>
<th>Salaries and Wages</th>
<th>Strongly Disagree</th>
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<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My salary motivates me to work longer for the organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. I always receive an annual pay rise</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. I earn a competitive salary compared to other workers in this industry.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. My salary is in line my level of skills &amp; experience</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. I receive same amount of pay as my other workmates who do similar duties</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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### Organization Benefits and Allowances

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<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. The organization provides me with transport to and from my work place</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7. I receive health insurance benefits</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8. My employer has a pension plan for me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

### Annual Leave and Vacations

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<tr>
<th>Annual Leave and Vacations</th>
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<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. My organizations treats all employees with equity and fairness when it comes to annual leave</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10. My organization sponsors me for vacations once in a while</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

## Part D: Non-Financial Rewards and Turnover

### Training and Development Workshops

<table>
<thead>
<tr>
<th>Training and Development Workshops</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My organization sponsors me for trainings on my job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. I regularly attend development workshops</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. Training enhances my confidence level and leads to career satisfaction</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. The training I receive motivates me to stick to the organization</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

### Performance Management Systems

<table>
<thead>
<tr>
<th>Performance Management Systems</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. In my organization, I often undergo a performance appraisal</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
6. I receive recognition & appreciation for improved performance

7. My organization invests in my career development need

Conducive Work Environment

8. I enjoy a comfortable work environment

9. I have access to resources that I need for my job

10. My job description is well designed

Part E: Employee Turnover

<table>
<thead>
<tr>
<th>Employee Turnover</th>
<th>Very Low Extent</th>
<th>Low Extent</th>
<th>Moderate Extent</th>
<th>Large Extent</th>
<th>Very Large Extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent do you think organizational communication affects employee turnover?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>To what extent do you think financial rewards affects employee turnover?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>To what extent do you think non-financial rewards affects employee turnover?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

4. How would you rate your organization’s employee turnover rate?

- □ Very Low
- □ Low
- □ Average
- □ High
- □ Very High

5. Suggest ways of minimizing employee turnover at Hill Park Hotel:

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