

**EFFECTS OF REWARD MANAGEMENT PRACTICES ON
EMPLOYEE RETENTION IN THE HOTEL INDUSTRY IN
KENYA**

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**Effects of Reward Management Practices on Employee Retention in the
Hotel Industry in Kenya**

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DECLARATION

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

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DEDICATION

To the Almighty God, for wisdom and enablement, to my parents, brothers and sisters for their love, encouragement and support during my studies.

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LIST OF ACRONYMS AND ABBREVIATIONS

CBA	-	Collective Bargaining Agreement
EFQMA	-	European Foundation for Quality Management Award
FKE	-	Federation of Kenya Employers
HR	-	Human Resource
HRM	-	Human Resource Management
GDP	-	Gross Domestic Product
GOK	-	Government of Kenya
ILO	-	International Labor Organizations
IH & RA	-	International Hotel and Restaurant Association
ISO	-	International Organization for Standardization
JKUAT	-	Jomo Kenyatta University of Agriculture and Technology
KAHC	-	Kenya Association of Hotelkeepers and Caterers
KTB	-	Kenya Tourism Board
MBNQA	-	Malcolm Baldrige National Quality Award
NGO	-	Non Governmental Organization
VIF	-	Variance Inflation Factor
WTO	-	World Tourism Organization
WTTC	-	World Tourism and Travel Corporation
USA	-	United States of America
SPSS	-	Statistical Package for Social Sciences
TTF	-	Tourism Trust Fund
TQM	-	Total Quality Management

OPERATIONAL DEFINITION OF TERMS

- Career Development:** It is the lifelong process of managing learning, work, leisure, and transitions in order to move toward a personally determined and evolving preferred future (Wambugu & Ombui, 2013)
- Employee Recognition:** Communication between management and employees which rewards them for reaching specific goals or producing high quality results in the workplace (Sutherland, 2004).
- Employee Retention:** Ability of an organization to engage valuable staff for a long period. It is a voluntary move by an organization to create an environment which engages employees for long term (Yang, 2011).
- Hotel Industry:** All forms of business relating to the provision of accommodation in lodging, food and drinks and various types of other services that are interconnected and form intended for the public service, both of which use the lodging facilities or who simply use the services or the production of certain of the hotel. (Chris, 2011).
- Intention to Stay:** This is referred to as to “do special things or action with a special attitude, or with means, purpose, or plan in the individual heart” (Chang & Chang, 2008).
- Job Promotion:** This refers to the advancement of an employee's rank or position in a hierarchical structure (Uddin, Das & Rahman, 2008).

Remuneration: It is a reward for employment in the form of pay, salary, or wage, including allowances, benefits, bonuses, cash incentives, and monetary value of the noncash incentives (Atif, Kashif, Ijaz, Muhammad, & Asad, 2011).

Reward management: Reward refers to all of the monetary, non monetary and psychological payments that an organization provides for its employees in exchange for the work they perform (Bratton & Gold, 2007)

ABSTRACT

The hotels in Kenya fall short of the industries turnover average and still leads in employee turnover. In the year 2011, labor turnover was at 68% in five star rated hotels. Today, the industry is confronted with the continuously evolving challenge of demand for retention of appropriate talent. Consequently, this has impacted negatively on hotel business sustainability due to high costs of training new employees, replacement and separation for the departing employees as well as affecting customer satisfaction. The purpose of this study was to examine the effect of reward management practices on employee retention in the hotel industry in Kenya. The objectives of the study were to establish the effect of career development, remuneration, job promotion and employee recognition on employee retention in the hotels in Kenya. This study used descriptive survey research design. The target population of this study comprised of two hundred and thirteen hotels registered under Kenya Association of Hotelkeepers and Caterers in Kenya. A representative sample of one hundred and thirty seven hotels was selected from each region using stratified random sampling. A pilot test was conducted to test the reliability and validity of the data collection instruments. Data was collected by use of a questionnaire and was analyzed using descriptive and inferential statistics. The study established that there was a positive and significant relationship between career development and employee retention in the hotel industry. In addition, the study found that job promotion had positive and significant influence employee retention in the hotel industry in Kenya. Further, the study established that remuneration influences employee retention in the hotel industry in Kenya both positively and significantly. The study revealed that there was a positive and significant relationship between employee recognition and employee retention in the hotel industry. The study also found that hotel rating moderates the effect of reward management practices on employee retention in the hotel industry in Kenya. The study recommended that human resource managers in the hotel industry should develop Career Development Programs indicating various types of career developments in the organizations and who is eligible for them. In addition, the managements of the hotel industry should review their remuneration structure to consider the current high cost of living. Further, the study recommended that

the hotel industry should develop a policy indicating who and when a person should be promoted, this will help to deal with issues of discrimination in job promotions as indicated in the study. Job promotions should not be an increase in roles and responsibilities only, but should be accompanied by an increase in salary and allowances. Lastly, the study recommended that the management of hotels should enhance employee recognition through a monthly or yearly recognition program and should be communicated to all staff.

CHAPTER ONE

INTRODUCTION

This chapter discusses the background of the study, which has sub-sections namely the global perspective of employee retention, regional perspective of employee retention, local perspective of employee retention, and Kenya association of hotelkeepers and caterers in Kenya. The chapter also presents the statement of the problem which brings out how and why the study was to be undertaken by comparison of statistical evidence. The objectives of the study, the general and the specific as well as hypotheses that support the study have been clearly outlined. Further on, justification, scope, and limitations of the study have been discussed.

1.1 Background of the Study

According to Barky (2006), a hotel is an enterprise that provides accommodation on a temporary basis. Bharwani and Butt (2012) indicates that the provision of essential accommodation, in the past, consisting only of a room with a bed, a wardrobe, a small table and a wash hand basin has widely been replaced by quarters with modern amenities, including integral bathrooms and air conditioning or climate control. Supplementary common features found in hotel rooms are a telephone, an alarm clock, a television, a safe, a mini-bar with bite foods and munchies, and amenities for making tea and coffee (Bharwani & Butt, 2012). Executive hotels usually provide additional guest services such as a swimming pool, health center, production center, childcare, convention centre and social utility amenities (Gu & Siu, 2009).

Hotel industry has not failed to receive meticulous consideration of academics, industry tycoons and monetary analysts because of its increasing effect on the GDP of a nation (Uddin, Das & Rahman, 2008). The hotel business is a lively service industry where best human resource management is essential to make sure professionalism and competence in delivery of service (Hanzaee & Mirvaisi, 2011).

Employee retention is fundamental for the hotel sector as it hires more people than any other sector within the private divide, equally domestically and globally (Peric, Mujacevic, Simunic, 2011). Advancing employee retention entails efficient management with a lasting view (Enderwick, 2011). Dealing with organizational hurdles including employee retention calls for the cooperation of academia (Olson, 2010), business sector (Cavico & Mujtaba, 2010), and the government (Molian, 2012). Employee retention is attainable if employees are competent and professional in their area of work (Singh, 2012). The challenge is that today's human resources especially the millennials have diverse ideas than those from five or six decades ago (Solnet Kralj, & Kandampully, 2012). The millennial employees are not likely to stay with the same corporation or industry for their full work engagement. The organization ought to distinguish this by acting proactively and retaining brilliant people (Parry & Kelliher, 2009; Solnet *et al.*, 2012).

1.1.1 Global Perspective of Employee Retention

According to Kusluvan, Ilhan, & Buyruk (2010), one of the most important benefits of the growth of the hotel business in any market is the provision of employment. The hotel consists of a number of different sectors including travel agencies, tour operators, travel and shipping, lodging, food and drink, and attractions which entail a diversity of industrial skills and competencies. The World Tourism and Travel Corporation (2012) shows that, employment in the hotel industry was projected to be over 230 million jobs and over ten percent of the gross domestic product worldwide by 2007. This depicts a fraction of one in every 11.2 jobs. This figure was estimated to reach 260, 417, 000 jobs or nine percent of entire employment in the world by 2017.

Nevertheless, the employee turnover trend is an ongoing matter affecting the hotel industry worldwide (Yang, 2011; Poulston, 2008; Slåtten & Mehmetoglu, 2011; Parry & Kelliher, 2009). High loss of employees in hotels is attributed to their environment which is normally not part of the organization priority (Smith, 2015). Furthermore, the undertaking of these roles as jobs rather than careers means investment in skill acquisition, growth and development is usually just enough for

the person and the company to carry on (Kusluvan *et al.*, 2010). There is an issue of causality, but the challenge is for companies in the sector to initiate proactive procedures to develop conditions for such workers in the hope of benefiting from minimized loss of employees.

A research conducted by Sut and Perry (2011) confirmed that empowering employees generates constructive conduct and individual fulfillment. Since hotel industry is an interactive sector, personal fulfillment leads to employee retention. In some European and Russian hotel industry, getting employees to stay requires organization commitment, continuous motivation and prospects for progression (Latukha, 2011). Moncarz, Zhao, & Kay (2009) also observed that effective training is critical in retaining employees with lasting objectives in the US hotel market.

Middle East region advocates the execution of human resource policies that promote pleasant corporate relationships and employee reliability which result to employees' retention (Demir, Çolakoğlu & Güzel, 2007). Such policies have the potential to attract and retain top performers, enhancing the capacity of organizations to remain champions in their particular industries (Tracey & Hinkin, 2008). According to Solnet *et al.* (2012), improved service opportunities, professionalism, and better job atmosphere are some of the prime reasons for employment mobility apart from increased pay, which are seen to be the basis to depart from their present jobs in the Middle East region. Solnet *et al.*, (2012) indicate that organizations offering benefits such as experiential opportunities, a clear career path, promotion options, transport, and operational conditions that moderate work, individual and family development are more likely to retain their group of talent.

It is also obvious from the hotel market in Turkey that there is a strong negative bond between loss of staff and organizational loyalty, signifying that employees with low commitment are likely to pull out from the organization (Demir *et al.*, 2007).

The study indicates that organizations that have embraced valuable training, feedback, communication and career progression programs are not only ongoing but even flourishing despite presently demanding global economic conditions. This serves as a strong impetus to help organization all over the region in enhancing the efficiency and performance of their employees (Sangaran & Jeetesh, 2015).

It has been observed in Austria that minimal loss of employees has been achieved by stressing on quality staffing, providing better education and onboarding, establishing practical career opportunities, and creating lasting incentive and payment systems. A turnover research study carried out in 2009 in 64 four to five star Australian hotels showed that turnover costs can be reflected into client discontent, low employee drive, decreased output, low service excellence, negative business insight and organizational performance. (Cho, Woods Jang & Erdem, 2009).

1.1.2 Regional Perspective of Employee Retention

The largest figure of tourism arrivals is recorded for the region of North Africa seconded by Southern Africa, then East Africa. By distinction, the regions of West Africa and Central Africa have recorded fewer number of tourism arrivals (Twining-Ward, 2009). The Africa Travel Association and the World Bank (2010); World Bank (2012). Individually the countries that reported regularly the biggest number of arrivals from tourism are South Africa, Egypt, Morocco, Tunisia and Mauritius (Rogerson, 2007; World Bank, 2012). Although the global economic recession and decline in international tourism trips, the continent of Africa continues to show tourism visits which are growing quicker than the world custom. While the hotel industry gives many employees the preferred and rewarding opportunities, it also requires attraction and retention of many service delivery staff.

Employee retention is a problem faced daily in the African hotel industry. According to the International Labor Organization (2010), turnover rates are still higher in hospitality than any other industry. It is well known from the ILO that the costs associated with recruitment and hiring are much greater than those of engaging and retaining current employees (ILO, 2010).

As the economy begins to show signs of improvement, it is important for companies to find ways to retain employees in order to stay competitive and maintain a strong bottom line.

Consequently, the hotel environment is characterized by long, unfriendly hours and salaries, insecurity and lack of employee recognition make it abhorrent as a career option, making the industry to suffer from high workforce turnover and difficulties in employing suitable staff (Bharwani & Butt, 2012). This tends to deal with the skills gaps that are in existence. Collectively, these negative factors harm the image and perception of the hotel industry. The major hurdle is to correct this negative perception, first by improving working environment to attract appropriate employees and retain them, and second by investing in their career progression and work life balance.

African hotel industry has attempted to introduce strategies in reducing employees' turnover. For instance in Ghana, Seychelles, Zanzibar, Morocco, Mozambique and Tanzania, strategies are based on the fact that hotel industry is so dynamic and maintaining employees is depended on the job opportunities in the country (Honyenuga & Adzoyi, 2012). The major cause for the high turnover has to do with low salaries and poor conditions of service. This is followed by young people who leave their serving position for further studies. This is in line with Boella and Goss-Turner (2005) who said that due to the unrestricted entry into the industry, the industry provides job avenues to a number of students and young people who use the industry as a stepping stone for better working life elsewhere.

The strategies adopted to retain employees include some measures such as offering end of year allowances although not regular in some instances, attachment to higher hotels for the acquisition of skills, provision of free accommodation and the provision of special allowance to highly skilled workers such as chefs. Research also shows that employees in the four star hotels in particular are satisfied with the incentive packages put in place (Honyenuga & Adzoyi, 2012).

1.1.3 Local Perspective of Employee Retention

According to the ILO (2010), Kenyan economy is becoming a service driven nation. Worldwide, the service industry represents for 20 per cent of the economy, while the trade industry in Kenya presently stands at 62 per cent of GDP, with an equivalent over 68 per cent of employees deployed with major business sectors like transport and logistics, information communication technology, hotel and banking services taking the lead. Nonetheless, one of the major challenges affecting the hotel industry in Kenya has been scarcity of competent and experienced employees across an extensive continuum of experts (ILO, 2010).

The Kenyan hotel industry has by and large struggled to retain top personnel due to low and unfriendly remuneration scales. Moreover, the working hours and shifts in the hotel sector has remained to be unfriendly, for instance; working odd hours, working in shifts and the social stigma of working in the hotels curtailed many females in joining the industry (Samuel & Chipunza, 2009). Research has therefore shown the need for the management to review the employee welfare by giving better salaries, introducing flexible working hours, balancing individual work and personal life; among other incentives in order to promote employee retention.

The other strategic initiative recommended in the Kenyan hotels is the improvement of the working conditions in the hotel sector in order to boost employees' morale as these are the ingredients to employees' commitment to the organization (Kuria, Alice, & Wanderi, 2012). In a study evaluating on the quality of service offered by the retained employees, Njoroge (2013) pointed out that some fringe benefits like medical cover, bonuses, paid for holidays and promotions/ demotions are ranked moderate while job security ranked low when it comes to employees retention factors. Other competitive strategies to retain the employees involve staff motivation, clear job descriptions, and competitive remunerate which would retain many of the employees and in return to keep their customers satisfied (Njoroge, 2013).

1.1.4 Kenya Association of Hotel Keepers and Caterers in Kenya

The Hotelkeepers and Caterers Association was founded in 1944. KAHC is the main umbrella group bringing together hotels, lodges, restaurants, membership clubs and prominent airline caterers whose general idea is to provide services in the hospitality sector. The association is the key voice for hotels and restaurants to the government and other agencies on matters of rules and regulations, licensing, and policy. This role is achieved through representation in the Kenya Tourist Board, Kenya Tourism Federation, Federation of Kenya Employers, Hotels and Restaurants Authority, Kenya Utalii College, East Africa Tourism Council, Catering and Tourism Development Levy Trustees, Tourism Trust Fund, Nairobi Central Business District Association, Mombasa and Coast Tourism Association, Coast Development Authority and other forums. It also liaises with the ministries of Tourism, Trade, Finance and Labor.

The association is the primary information exchange system for members and the hotel industry by carrying out research, updating business database and communicating with members on employment policies, tax and pricing policies, human resource, hotel licensing and rating, welfare and safety, legislation, labor laws and documentation. The association promotes harmonious labour relations through Collective Bargaining Agreements (CBA) negotiated and signed with trade unions and coordinates career and development programmes with the Kenya Utalii College. KAHC membership gives hotels a stamp of recognition and affords them an environment to talk about common issues in a joint front, (KAHC, 2015)

1.2 Statement of the Problem

The hotel industry plays a fundamental and vital role in the growth of the Kenyan economy. A study carried out by Kuria, Wanderi and Ondigi, (2011) in Kenya revealed that labor turnover was at 68% in five star rated hotels. Armstrong (2012) defines employees' turnover as the rate of people leaving an organization, he asserts that turnover can be disruptive and costly to the organization. A high number of staff leaving an organization at any given period is detrimental to both the employees and the employer in terms of performance and efficiency. For instance, high loss of

employees can make first time employees fresh from college to reduce, give rise to use of casual labour on temporary terms, affect negatively on output and sustainability, and hinders career progression (Long, Perumal, & Ajagbe, 2012). The hotel working environment contributes to the high rate of unwillingness to stay long by the employees compared to other businesses (Mohanty & Mohanty, 2014; Shani, Uriely, Reichel, & Ginsburg, 2014). The high turnover, low retention and severe scarcity of skilled employees in the tourism sector have extensively affected the hotel industry (Silva, 2006).

A new report from Deloitte (Hospitality, 2015), established that employee turnover in the hotel sector can be as high as 31% and may rise further as the decline is left behind. This is nearly twice the percentage rate for other sectors and can be costly for businesses. At present, the hotel industry is faced with the endlessly developing challenges of demand for retention of appropriate talent and competitive employees on permanent and pensionable basis. Recruitment costs account for a tremendous proportion of hotel operation expenses. Deloitte's report states that, 'An average hotelier spends 45% of operating expenses and 33% of revenues on labour costs.' High turnover rates cause extra overheads in recruitment and career development. According to the report 52% of the cost of recruiting employees is productivity loss and 14% is on-boarding and career development. Additionally, to the normal operation expenses, there are broad arrays of other express and indirect costs associated with turnover, and organizations must attempt to avoid these costs at all times (Allen, Bryant & Vardaman, 2010).

Consequently, employee turnover is a considerable expense to hotels and it may be the most important characteristic impacting hotel productivity, service excellence and career development. (Davidson *et al.*, 2009). Employee turnover is caused by diverse factors such as low self esteem, low productivity, inefficiency, low employee engagement and commitment. Human Resources Managers need to recognize the impact of loss of employees in the organization and how to deal with employee turnover issues (Allen, Bryant & Vardaman, 2010). According to Mayfield and Mayfield (2008) retention of important employees is one of the most noteworthy issue confronting leaders. The main goal of retention is to prevent the loss of

competent employees from the organization as this could have adverse effect on productivity and service delivery.

Empirical studies have been conducted on employee retention in various sectors in Kenya. Onyango (2014) conducted a study on the relationship between rewards and employee retention in Non-Governmental conservation organizations in Nairobi and established that work environment, learning and development, direct financial rewards and the indirect financial rewards had a positive correlation to employee retention. The study focused on Conservation NGOs and therefore it cannot be generalized to KAHC. Kimunge (2014) did a study on Kenya Vision 2030 Delivery Secretariat, it was established that reward, balance between life and work, acquisition of skills and career progression have constructive effect in employees' resolution to stay or leave an organization. However, a poor salary structure and lack of career growth were seen to be the components that have the most profound impact on employee retention at Kenya Vision 2030 Delivery Secretariat. The study was limited to Kenya Vision 2030 secretariat; it did not address issues facing hotels registered by KAHC in Kenya.

The study research gap was established by lack of empirical studies on reward management practices that affect retention of employees in the hotel industry in Kenya. Empirical studies (Kimunge, 2014; Onyango, 2014; Wanderi & Ondigi, 2011) were insufficient as they concentrated on other sectors. None of these studies undertook a study on the hotels registered under the hotel keepers and caterers association in Kenya. For that reason, this study embarked on tackling this gap by undertaking an empirical study on the effect of reward management practices on employee retention in hotels that are registered with the hotel keepers and caterers association in Kenya.

1.3 Research Objectives

The study was guided by one general objective and five specific objectives.

1.3.1 General Objective

The main objective of this study was to examine the effects of reward management practices on employee retention in the hotel industry in Kenya.

1.3.2 Specific Objectives

- i. To determine how career development influence employee retention in the hotel industry in Kenya.
- ii. To examine the effect of job promotion on employee retention in the hotel industry in Kenya.
- iii. To establish how remuneration influence employee retention in the hotel industry in Kenya.
- iv. To examine the effect of employee recognition on employee retention in the hotel industry in Kenya.
- v. To establish the moderating effect of hotel rating on the relationship between reward management practices and employee retention in the hotel industry in Kenya

1.4 Hypotheses

The study was guided by the following hypotheses;

- i. H_a1: There is a positive significant relationship between career development and employee retention in the hotel industry in Kenya.
- ii. H_a2: Job promotion has a positive significant influence on employee retention in the hotel industry in Kenya.
- iii. H_a3: Remuneration has a positive significant influence on employee retention in the hotel industry in Kenya.
- iv. H_a4: There is a positive significant relationship between employee recognition and employee retention in the hotel industry in Kenya.
- v. H_a5: The strength of the relationship between reward management practices and employee retention in the hotel industry in Kenya depends on hotel rating.

1.5 Justification of the Study

This study was of great importance to the management of medium and large hotels in Kenya, to employees of five star hotels, government of Kenya and policy makers as well as academicians and researchers.

1.5.1 Management of Hotels

To the management of hotels in Kenya, the study provides information on how various reward practices influence employee retention and how they can be used to reduce labor turnover. It is well known that this service industry is highly dependent on the “human factor” which has become a major part of the hospitality product. High turnover can lead to more issues in the workplace, such as understaffing, low morale, and poor customer service. Without strong retention strategies, companies spend more on hiring and training costs.

1.5.2 Government of Kenya and Policy makers

The study provides information on reward management practices and their role on employee retention in hotels in Kenya. The study also provides vital information to the human resource departments of other manufacturing industries, government institutions, non-governmental organizations and to the entire corporate sector that can be used to improve reward management policies in relation to retention of employees. This information may be used to develop a policy framework to protect both the employees and the employer. To the policy makers, the findings will provide viable opportunities to revise policies related to reward management practices and retention employees in organizations in Kenya.

1.5.3 Academicians and other Researchers

The study adds more information to the body of knowledge on the role of reward practices on employee retention in the hotel industry. The study also provides a base upon which further studies can be conducted on reward management practices and employee retention.

1.6 Scope of the Study

The study focused on hotels registered with the Hotel Keepers and Caterers Association in Kenya between the year 2010 to 2016. The study was limited to four reward management practices, namely; career development, remuneration, job promotion and employee recognition.

1.7 Limitations of the Study

There were some limitations during data collection as some of the respondents failed to provide the required information due to their attitude towards the study and for fear of victimization. However, to mitigate this challenge, time was taken to convince the respondent's confidence by providing the reasons behind the research and assuring the respondents that the information they provided would be treated with utmost confidentiality. The study obtained a letter of data collection from the University as an assurance to the respondents that the information being collected was to be used for academic purposes alone. The study also encountered a challenge in returning of questionnaires, to mitigate this, the questionnaires were self-administered to the respondents by research assistants who dropped and picked the questionnaires. There was a limitation of accessibility to a wide geographical spread of respondents in different regions in the country, to mitigate this; the study used two research assistants to collect data from each region.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the relevant literature by various scholars and researchers on reward management practices and their effect on employee retention. The chapter discusses the following subsections; theoretical framework, conceptual framework, empirical review, critique of the existing literature, summary and the research gaps.

2.2 Theoretical Framework

A theoretical framework is important to a researcher because it helps in limiting the scope of data relevant to the study by focusing on specific variables and viewpoint. Cherry (2015) defines a theory as a fixed principle that has been developed to elucidate some characteristic of the natural world. A theoretical framework should reveal an understanding of theories and concepts that are relevant to the research topic (Labaree, 2013). The theoretical review for this study was based on the relevant theories that explain the effect of career development, job promotion, remuneration, employee recognition on employee retention in hotels and moderated by hotel rating.

2.2.1 Career Development

Human Capital Theory

Modern definitions of human capital comprise that of Thomas *et al.* (2013), who explained peoples' performance and their potential in the organization. The insertion of the word 'potential' is significant as it shows that employees can develop their career and competences over time. Professionalism, knowledge and information enable employees to be effective and flexible, thus helpful to the organization as a human capital. Its potential importance can be wholly realized only with the mutual aid of the person (Schuler & Jackson, 2007). Attracting and retaining scholarly capital, a class of professional employees with distinctive skill is essential. Therefore organizations must change from human resources to the notion of human capital. Human capital theory was stated by Schutz (1961) and the theory reiterates that the

intellectual capacity and talent worker generates a certain stock of industrious resource. This approach also sees individuals not as an expenditure on their earnings rather as an asset competent of not only adding significance to their organizations but also in some cases ensuring its continued existence in the present spirited atmosphere (Sutherland, 2004).

Armstrong (2009) defines human capital as human factor in the organizations, the combined intelligence, skills and expertise that gives the organization its distinctive character. The human elements of the organization are those that are capable of learning, changing, innovating and providing the creative thrust which if properly motivated can ensure the long term survival of the organization. Human capital comprises intellectual capital (which are the unique knowledge and skills that people possess), social capital (which is flexible networks among people that allow the organizations to link, embed and leverage its diverse knowledge) and the organizational capital (which is the institutionalized knowledge possessed by an organization that is stored in databases and manuals). Sutherland (2004) also adds emotional capital which is the ability to convert the potential in intellectual capital into committed realized action.

According to Sutherland (2004), a significant amount of an organizations value is possessed by its employees and when the key employees leave companies, they take this value with them. It is indeed the knowledge, skills and abilities of individuals that create value, which is why the focus has to be on means of attracting, retaining, developing and maintaining the human capital they represent. This theory supports the variable career development because it is important for the employees to understand their career path within the hotel to motivate them to remain in the organization to achieve their personal goals. Medium and large hotels in Kenya put a lot of investment in the career development programs of their staff and it is therefore through greater employee attachment and tenure that can make the investment pay off.

2.2.2 Job Promotion

Maslow's Needs Hierarchy Theory

Widely studied in the HR field, Maslow's hierarchy of needs suggest that individuals' motivation depends on the desire to satisfy different levels of needs. (Armstrong, 2009) According to Abraham Maslow (1943) people are motivated by five types of unsatisfied needs, beginning with the most basic-level called physiological needs and progressing through the higher-level called self-actualization, which is never fully satisfied. (Gunnigle, Heraty & Morley, 2011) Once the needs of one stage are met, people may then be motivated to seek satisfaction at the next level. (Kouloubandi, Jofreh & Mahdavi, 2012) Maslow brings five major needs, in a hierarchical order, typically described and illustrated as a vertical scale or in a pyramidal form. (Udechukwu, 2009). The start point is physiological needs (food, drink, survival) leading through safety needs (protection and security), social needs (to belong, to love and be loved, to interact with others), esteem needs (self-esteem, self-regard, value and regard of others) to the higher-level needs, self actualization for fulfillment. (Armstrong, 2012) Due to the category in ranking, it can be said that employees whose lower level of requirements are not met may not be motivated by higher level of needs, such as higher remuneration according to Udechukwu (2009). It was also noted that the lower-level of needs are not being met if employees are not earning sufficient payment for their essential needs. In the same sense, employees at lower pay levels were more motivated by monetary rewards than those who were being compensated more than sufficiently to meet their essential needs.

Gunnigle, Heraty and Morley, (2011) and Udechukwu, (2009) affirm that what is most important about Maslow's work is "its recognition of a need to order or scale human wants and its recognition of human activity as an important area ripe for the application of sophisticated psychology theories and techniques that are today dubbed management studies among other rubrics. The author also reinforces the need for constant reassessment in the system because peoples' needs change over time.

Schneider and Alder (1973) bring Maslow's theory into practice suggesting that lower level needs such as psychological needs can be applied with rest and refreshment breaks, physical comfort on the job and reasonable work hours. Safety needs can refer to safe working conditions, job security, based in compensation and benefits. Social needs are possible with friendly co-workers, interaction with customers and pleasant supervisors. In the higher level needs, esteem needs can be achieved by given employees responsibility of an important job, praise and recognition from the boss and promotion to higher status job. And self-actualization needs can be fulfilled with a creative and challenging work, participation in decision making and ongoing training. Maslow's theory is relevant to the variable job promotion in that workers move up the pyramid during their employment experience and this helps them to stay longer in the organization because they feel self-actualized.

2.2.3 Remuneration

Equity Theory

The equity theory, illustrated by Stacey Adams, was established on the principle that all people have a desire to be treated reasonably. The equity theory is based around the terms equity, as being treated respectably in comparison to others and inequity where individuals consider not to be treated as favorably as others. How an individual bases whether they are being treated with justice or injustice is done so by focusing on the individual's inputs and outputs. Inputs can be defined as what the individual brings to the place of work, such as knowledge, skills and know-how. Outputs are defined as what the individual receives as a result of their inputs. 'An employee compares his or her job's inputs with an outcomes proportion. If the employee perceives disparity, he or she he will perform to correct the unfairness.' (Al-Zawahreh & Al-Madi, 2012) Adams (1965) pointed out the accessible options to individuals to correct any discrimination or unfairness, like adjust inputs and outputs.

Martin (2013); Grant and Shin (2011) exerted that one of the major important issues about the equity theory relates to how the organization and employees deal with disparities that arise from different types of comparisons. When salary differences

are high, high performers making self comparisons distinguish high justice or equity, but standard and low performers making general comparisons may perceive low equity' (Grant & Shin, 2011). Colella, Paetzold, Zardkoohi, and Wesson (2007) outline that one solution to solve such a difficulty may recline in implementing a salary privacy policy. Apparent fairness is considered important when analyzing pay and its relation to retention (Taylor, 2002; Allen et al., 2010). CIPD (2010) reminds "people who believe they are treated unjustly or perceive allocation of rewards being unlogical will probably depart". The theoretical background is founded on the notion of distributive fairness explaining under which circumstances people become discontented (Adams, 1965). A theory, introduced by Martin (1981), implies that the feeling of dissatisfaction comes from a principle that one is receiving less than one deserves (Aquino et al., 1997). Consequently, inequality especially in rewards leads to frustration and finally to organizational exist (Aquino et al., 1997). Additionally, paying the highest remuneration in business may not enhance retention, but being competitive in the businesses is paramount (Taylor, 2002). Nevertheless remuneration is simple to emulate by competitors hence adapting a truly price determined strategy will not be sustainable in long term (Moroko & Uncles, 2009). For that reason remuneration can be vital yet it does not alone enhance retention of employees, and organizations should feature on pragmatic profit that could be customized by employees and which are harder to replicate by competitors such as: education and support, promotion possibilities, balance between life and work and conducive workplace atmosphere (Moroko & Uncles, 2009).

Equity theory is linked to remuneration as it explains how employees seek to maintain equitable ratio between the inputs they bring to the workplace and the outcomes (remuneration) they obtain from it. Equity theory brings the initiative that employees gauge their inputs and outcomes in comparison with inputs and outcomes of others forming perceptions of equality (Armstrong, 2012; Liccione, 2007; Shore & Strauss, 2012). Additionally, it is confirmed that the view of justice is an imperative theory at the workplace where injustice has been linked to a diversity of important behaviors, including displeasure with rewards, reduced morale in the job and willingness to depart the organization. If both employees were perhaps rewarded the same, it would assist the personnel understand that the organization is just, watchful,

and grateful and thus stay longer in the organization. Equity theory supports the variable remuneration as it addresses the issue of equitable ration between the inputs and outputs at the workplace.

2.2.4 Employee Recognition

Two-Factor Theory (Herzberg's motivation-hygiene theory)

In his theory, Herzberg identifies two sets of factors: Hygiene factors and Satisfiers or Motivators factors, defining motivators as intrinsic to the job and hygiene factors as extrinsic. (Armstrong, 2012) According to Herzberg the crucial difference between motivators and hygiene factors is that the first involves psychological growth while the second involves physical and psychological pain avoidance (Viorel, 2009). Hygiene factors include salary, job security, working conditions (workplace, light and all the necessary tools to perform the job), organizational policies and culture. Herzberg affirms that although hygiene factors do not motivate employees, they can cause dissatisfaction if they are missing, but improvements in hygiene factors do not necessarily increase satisfaction. (Smith & Shields, 2013; Udechukwu, 2009) on the other hand, getting people to do their best at work, improving job satisfaction and motivating employees is more a function of motivators or satisfiers“ factors. Smith and Shields, (2013) said that such things include increasing employees responsibility, autonomy, recognizing them for their achievements and providing opportunities for growth (Armstrong, 2012).

Herzberg's motivation-hygiene theory points out that job satisfaction and job dissatisfaction rise from different causes, satisfaction depends on motivators, while dissatisfaction is the result of hygiene factors (Udechukwu, 2009). Herzberg (2013), states that the things that make people satisfied and motivated on the job are different in kind from the things that make them dissatisfied. He explains that poor hygiene factors make employees de-motivated, but achieving excellence in those factors will not make people work harder or smarter, affirming that people are motivated, instead, by interesting work, challenge, and increasing responsibility (Herzberg, 2013). Herzberg argues that true satisfaction is primarily a product of internalized motivation factors such as praise or recognition for efforts and opportunities for

advancement (Herzberg, 2013). In the two-factor theory, it was proposed that the work-related role has the capacity to fulfill employees' need for self-actualization which influences job satisfaction and urged organizations to enrich the jobs to enhance workers' satisfaction in their positions. (Viorel, 2009). More recent studies have been supporting Herzberg, having found motivation/satisfiers factors to be most closely associated with job satisfaction. (Smith & Shields, 2013). This theory is relevant to employee recognition variable in that it helps employees to feel more valued and appreciated by the organization and in turn a higher level of job satisfaction and retention by increasing employees responsibility, autonomy, recognizing them for their achievements and providing opportunities for growth.

2.2.5 Employee Retention

Magnusson and Silfverberg (2013) Mixed Model of Employee Retention

Influenced by March and Simon's model of organizational participation and Lee and Mitchell's job embeddedness theory (1994), Magnusson and Silfverberg (2013) advocate a mixed model, aiming to analyze issues within job contentment to show how important they are for employee retention and, to show the significance of employee retention so that the organization can reinforce and expand those factors that majorly contribute to retention opportunities. To gain a deeper perspective how to retain employees, it is vital to recognize the factors that affect job fulfillment since the relationship between fulfillment and employee loss is very strong (Teeraprasert, Piriyakul, & Khantanapha, 2012).

The mixed model of employee retention is linked to employee retention variable to explain job fulfillment that affects the appeal of movement. High job fulfillment equals low desirability of movement; low job satisfaction equals high desirability of movement. The desirability of movement in relation to the ease of movement, which is primarily determined by the labour market, affects the outcome. The employee weighs pros and cons, risks and opportunities to make a decision about the future in the organization, this decision will decide whether employee turnover or retention occurs.

The concept of Lee and Mitchell's theory of job embeddedness is emphasized by the strength of the relationship between job fulfillment and the employee (Lee, Mitchell, Sablinski, Burton, & Holtom, 2004). Lee *et al.* (2004) point out that the relationship between job embeddedness and employee loss and retention can vary due to environment. This model is relevant to employee retention in that it addresses job satisfaction and the desirability of movement.

2.2.6 Hotel Rating

Hotel Grading Model

The term 'hotel rating,' sometimes referred to as "hotel grading" or "hotel classification" is mainly used to classify hotel enterprises according to diverse features (WTO, 2014). As pointed out by WTO and IH&RA (2004), "hotel rating describes a classification, properly published, in which accommodation establishments of the similar category (e.g., hotels, resorts, camps, restaurants, coffee houses, furnished apartments, etc) encompassing grades, classes or categories. This is in harmony with their general objective and resources, established at government, business class. The WTO and IH&RA (2004) added that hotel rating systems were created mainly with the intention of protecting clients. Presently, competitive advertising and marketing makes local and worldwide hotels to standardize resources, facilities and services to achieve service excellence. A reliable hotel rating system is one of the requirements for grading quality and excellence including its amenities, services and facilities to attain exclusive worldwide standard (WTO, 2014). With the increasing global tourism in the last five decades, during which hotels have attained the class of a established industry, the focus has moved from guest security (generally guaranteed by national regulations and legislation) to guest knowledge (WTO and IH&RA, 2004).With so many tourists travelling across the globe and within their own country, the method of having a single rating system which could be applied to hotel accommodation all over the world for the advantage of both clients (hotel guests or tourists) and tour professionals (tour operators and travel agents), has not been achieved (Madani, Mohsen & Sarafizadeh, 2012; UNWTO, 2014).

Away from the classification system surveyed by the WTO and IH&RA in 2004, there are other types of ratings, because online tour agents and some of the key tour professionals as well classify hotels according to their own principle and standard. These are normally based on guides like the US Official Hotel Guide (WTO, IH&RA, 2004). Moreover, electronic word-of-mouth (e-WoM) in the form of client commentary is used for rating of the hotel industry facilities and the business efficiency on the internet travel agents destinations (Yu, 2014). The certified hotel rating systems implemented by government agencies go after mandatory and statutory basis. Nevertheless, Narangajavana (2007) contends that the un-official rating systems are enforced usually by hotel or travel groups, and the national trade and manufacturing industries or private sectors, and participation is mainly on a charitable basis. Although to differentiate and correspond the hotels' rating, a diverse rating codes are employed, for instance stars, crowns, diamonds, suns, or letters, however, the globalized recognized symbol was the star, as many countries with at least a hotel rating system used the stars to characterize grades of their rating system. Wang (2011) illustrates that many clients use the internet to search for an hotel based on the guests' review on the online travel agents websites and hence electronic Word of Mouth (e-WoM, and a study by Nielsen (2007), established that many clients perceive online opinions to be as reliable as hotels' websites and ratings. As explained by Go and Pine (2005), given that hotel rating systems vary patently from state to state, and the criterion used time and again reflect local cultural differences in ethics and preferences while in view of general international standards, these inconsistencies may influence ratings of both amenities and quality of service (Hamashige, 2007). This model is relevant to this study and is linked to the hotel rating variable as it explains how hotels are rated and classified according to local and international standards.

2.3 Conceptual Framework

Conceptual framework provides structure and content for the whole study (Vaughan, 2008). Kombo and Tromp (2009), describe a concept as an abstract or broad idea inferred or resulting from definite instances. Additionally, they defined a conceptual framework as a set of extensive ideas and philosophy taken from pertinent areas of study and used to constitute a subsequent presentation. The independent variables of this study were career development, remuneration, job promotion and employee recognition, the moderating variable was hotel rating and the dependent variable as employee retention as shown in figure 2.1.

Reward Management Practices

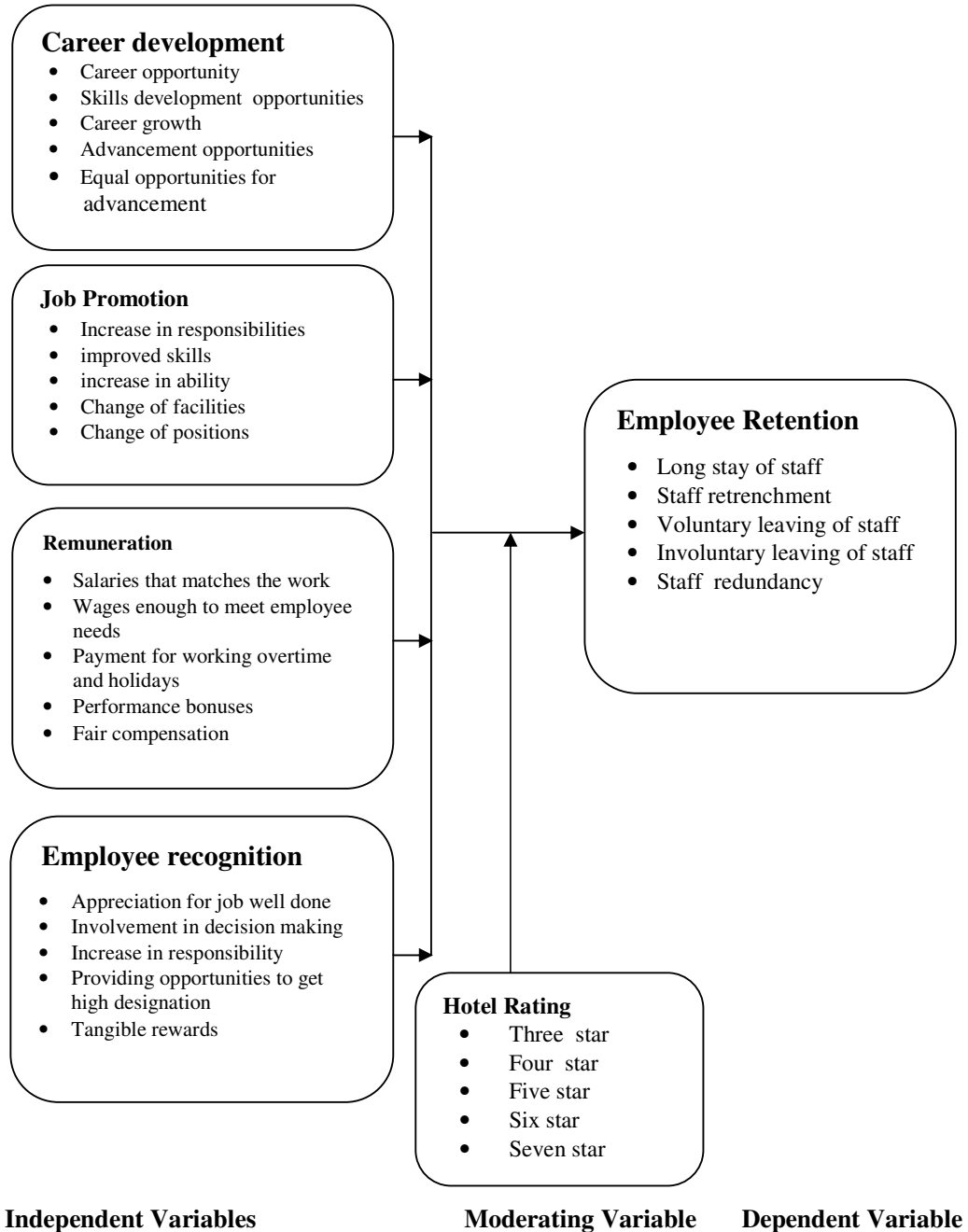


Figure 2.1: Conceptual Framework

2.3.1 Career Development

Career development is a motivational incentive that promotes employees retention and productivity (Musa, Ahmed, & Bala, 2014). Career development comprises of resolute efforts bound for evaluating an employee's competences identifying possible career advancement for that worker and developing and implementing different types of training programmes and experience to organize that individual for job enlargement and enrichment. In most businesses, its gradually obvious that career development programs are cost justified in the same conditions as initial programs; meaning each endorsement contributes to enhanced deployment of workers overall organizational operation and development (Mapelu & Jumah, 2013; Solnet, Kralj & Kandampully, 2012).

The significance of career development is as a result to match an employee's career path with opportunities and challenges experienced within the organization. The importance of career development also involves a successful appointment of employees in positions that meet their desires as well as organizational requirements. Employee career development relates to organizational efficiency and can also result to more dedicated personnel and employee retention (Slum, 2004). Furthermore, Jennings (2005) stated that career stagnation occurs when one stays in one position for too long, affecting employee's loyalty, commitment and willingness to stay.

A way of distinguishing by training is an alternative as it enhances broad attractiveness and observes high levels of commitment (Barrow & Mosley, 2005). Particularly specialized workplace training initiated by the company improves the perception towards the company (Green et al., 2000). Career development seems to have an impact on expected quality of the employee experience. Past studies; (Taylor, 2002; Gaffney, 2005; Chhabra & Mishra, 2008), suggest that employees choose to stay longer where they experience individual growth and acquisition of specialized skills. Additionally, Porter and Steers' (1973) found out that work, development opportunities are expected to increase retention as individuals who sense that they are rewarded reasonably for the work done are more contented and fulfilled (Hausknecht , Rodda & Howard, 2009).

In order to continue working in a given form, employees expect to find meaning and direction of their day to day work. Career development enables employees to be involved in meaningful careers and to seek higher career goals (Tan, 2008). In addition, employees who have access to career development resources and tools feel much more engaged and supported by the organization. Organizations that focus on career development for their employees create a lasting impression on their people and earn their loyalty. Loyal employees are very committed to their employers and they tend to stay on in the organization both in challenging and in good times (Musa, Ahmed & Bala, 2014).

For most employees, career development has become one of the most desired employee benefits especially among younger candidates who feel that career development is as important as the money they make. Mapelu and Jumah (2013), states that today it easier to assess the career needs of an individual by use of employee assessment. Assessment tools can help pinpoint the developmental needs of employees and also provide a road map of the required career development which would benefit the individual and the organization as well.

Many organizations understand the need of retaining their top talent (Uddin, Das & Rahman, 2008). Providing career development opportunities can help in this as it ensures that individuals are more likely to look within the organization rather than elsewhere when they desire a job shift or a promotion. According to Mapelu and Jumah (2013), employees are also more likely to stay engaged in their work and committed to an organization that makes investment in them and their career development.

2.3.2 Job Promotion

Promotion is the movement inside an organization to a position in which duties, tasks and responsibilities seemingly increase or enlarge. Promotion possibilities affect the conduct of employees in the organization and encourage individuals to better abilities to advance (Parry & Kelliher, 2009). Promotion is used as a reward and an incentive to enhanced work efficiency and other institutional standard forms of character. Employees will work harder if they believe this will lead to promotion. They have

little motivation if they feel that better jobs are reserved for outsiders (Pearce, 2011; Poulston, 2008). The notion of promotion allows organizations to match its need for competent personnel with the employees desire to apply the skills they have acquired. There is a significant relationship between opportunities for advancement and high level of job fulfillment. An effective system of promotion can result to greater organizational performance and high level of employees' self-esteem. According to Armstrong (2006) the aim of promotion system of an organization should be to facilitate management to attain the best workforce available within the company to occupy higher positions and to grant employees with the opportunity to progress their careers within the company, in accordance with the opportunity available and their own abilities. Most individuals have a need for high evaluation of themselves and feel that what they do should be recognized by others concerned. Promotion is an employee growth and development plan and also taken as a reward for good performance and recognition of employee capabilities (Samuel & Chipunza, 2009). It carries a high value in employee retention as a clear succession plan keeps the employee motivated to keep up a good performance and long term commitment with the company. Promotion also creates a sense of defense among the present employees.

Promotion is source of fulfillment for employees and contented employees are more devoted to the organization. During the appraisal of an employee performance for promotion, an effective communication process should be established so as to know where the employee who might not be qualified for a promotion is wanting and what can be done to get results. Regular feedback regarding employee performance would provide the direction for the employee to improve his/her performance and get a promotion. These assures the employees that the organization is interested in their progression and development (Sangaran & Jeetesh, 2015). Promoting employees should also be based on factors such as career coaching, professionalism, competence and should be transparent so as to prevent employees from engaging in politics to exert pressure on managers for rewards and promotions. Another form of developing employees is providing promotion opportunities. Past studies; (Taylor, 2002; Gaffney, 2005; Chhabra & Mishra, 2008), suggest that employees often opt to stay longer where they experience personal and professional development. This is

based on Porter and Steers (1973) work which suggests that advancement opportunities are likely to enhance retention as people will stay longer if they feel they are compensated well for the work done.

Armstrong (2006), opined that procedural and transparent promotions encourage employees to do their best knowing that good performance will be rewarded. In cases where employees feel that promotions given in company are not procedural and a dubious means such as favoritism is used to promote employees, employees are likely to look for jobs in other firms that promote their employees based on transparency and true results. Employee promotions positively influence the motivation and commitment of employees. Every employee should be considered for a prospective progression in the organization. Career progression and development opportunities should also be available to all employees so as to increase the employees' welfare and worth and also so as to attract and retain them for productivity. This can motivate the employees and also encourage them to take more interest in their line of work (Singh, 2012). Promotion also enables employees to advance themselves professionally and in acquisition of new skills. Diligent, dedicated, and morally upright employees when they are rewarded by promotions help an employee know that his/her efforts are not going unobserved.

2.3.3 Remuneration

Friendly and good remuneration scheme is one of the very vital characteristic of retention because it fulfills the monetary and material needs (Walsh & Taylor, 2007). Salary retirement and job security have been shown to be important personal issues that may affect the satisfaction of faculty members in colleges and universities. The study found that less than half of the faculty members in a national research indicated that they were satisfied with their salary and fringe benefits.

According to Kreitner (2004), paying low salaries often means that top performers leave their jobs and others who might not be as good take these jobs. In addition to the salaries and wages, well rounded benefits such as health plans, insurance and pension plans offered to employees sends a powerful message to the employees that they are important. A company can retain their employees based on the fact that if

the employees leave their job they might not be able to replace the benefits they are getting by moving to a new company. Raises are also important especially if given at a time when other employers might not be giving them as they usually keep the employees motivated (Walker, 2004).

The more significant the raise, the more an employee will feel appreciated. If there is not enough money to give everyone a raise, the top performers can be awarded raises. Bonuses are also given in cases where there are not enough money to offer raises. Offering a raise or bonuses every year helps the workers feel that they are moving ahead (Walsh & Taylor, 2007). Employers can also use a combination of hard-monetary and soft-nonmonetary benefits so as to retain employees. Non-monetary strategies such as reward systems, provision of childcare, off time, stock options, and discounts for purchases among others can be combined with monetary benefits to motivate employees and also to gain their loyalty.

Non cash rewards and perks can also be used to recognize exceptional performance. Verbal recognition, trips and public recognition can send an important message regarding the importance of employees to the other employees (Kreitner, 2004; Wambugu & Ombui, 2013). According to Yang (2011), management can also examine the needs and issues of the employees so as to come up with compensation packages that can meet these needs. Money is an influential motivator of those who seek refuge through riches, but the guarantee of money many imply little to an economically secure individual who demands show off gratification from demanding work. People's needs concerning when and how to be paid also vary if rewards are to motivate job performance effectively, need to be administered in ways that satisfy operative needs, foster positive expectations ensure impartial allotment and extrinsic reward outcome (Kreitner, 2004). Organizations need rewards to get people motivated to do things that they would not otherwise do. Moreover, a study of academics in Makerere University by Amutuhaire (2010) established that remuneration and tenure influenced their retention.

2.3.4 Employee Recognition

Recognition means appreciation with a show of gratitude. When such appreciation is offered to the work performed by employees, they feel inspired to perform better and better. In the organizational atmosphere, status means the grading of positions, rights and duties in the formal organization structure the status system is an tool of motivation because it is tremendously significant for most of the people. For this reason, status system should be closely related to the abilities and the aspirations of people on the organization (Wambugu & Ombui, 2013).

Top performing employees are harder to come by and even harder to keep. Successful organizations recognize the importance of developing a recognition and reward program to recognize and validate the work of the employees. According to Uddin, Das and Rahman (2008), these programs can be formal such as ones that offer material incentives for the employees who achieve predestined goals or informal such as providing of positive feedback such as verbal praise. Recognition of employee behavior is rooted in the psychology principle of positive reinforcement in that behavior that is rewarded is more likely to be repeated. Recognition of behavior that promotes the organizational goals has been shown to improve employee performance and retention (Sutherland, 2008).

Many employers however are hesitant to initiate recognition and reward programs and they dismiss them as high cost activities that bring little tangible benefits to the company and its employees. However, research shows that recognition that ranges from verbal praise and small non cash rewards can be a cost effective tool to raise the employees morale, lower stress, absenteeism and in the end lower employee turnover. In addition, while the employees benefit from these programs, the employer is also likely to benefit from increased employee productivity and decreased costs that are associated with turnover rates.

However individuals like to be recognized differently and employers should find out what their employees value most and customize recognition accordingly (Samuel & Chipunza, 2009). Employers must also avoid recognition mistakes such as not getting the facts right and recognizing the wrong person. The form of recognition

should also fit the degree of achievement. Acknowledgement should also be tied to specific actions to help employees recognize exactly what they did right. Regular recognition of employees can have a significant impact on their level of engagement. Recognition enables employees to feel better about themselves and their employer. Research by the Gallup organization shows that companies with higher employee engagement yield high retention than companies with employees with low employee engagements (Poulston, 2008). When employees feel that their efforts are appreciate and acknowledged, they are more likely to stay, recognition can also cultivate dedication and loyalty to the company.

2.3.5 Employee Retention

Pousa and Mathieu (2010) define retention as an obligation to continue to do business or exchange with a particular organization on an ongoing basis. Retention is “customer liking, identification, commitment, trust, readiness to recommend, and repurchase intentions, with the first four being emotional-cognitive retention constructs, and the last two being behavioral intentions. According to Latukha (2011), retention is driven by several key factors, which ought to be managed congruently: organizational culture, strategy, pay and benefits philosophy and career development systems. If companies cannot retain their employees, the economic results could be devastating for an organization.

Alkandari and Hammad (2009), studied employee’s retention in private sector in an exploratory study in the state of Kuwait. The result of their study shows that benefits factors such as salary and compensation were rated as most important to the private sector workforce in the state of Kuwait followed by leave benefits and differed compensation. They explained that the three strategies rated most important to private sector workforce are rewards and recognition, annual performance appraisal and training opportunities.

Gaiduk and Gaiduk (2009) elucidated that past studies have found that employee intentions to stay with an organization comprises of three main groups of variables which are employee personal features such as gender, age, position level; the nature of an employee’s present work; and ample working conditions including such aspects

as the quality of manager supervision, opportunities for promotion, available career development, and quality of communication channels within the organization. In a study of retention of employees in Australian Organizations, Chew (2004) found out that younger employees focused on remuneration, education and development, career progression, challenging work, growth opportunities and employee recognition. For older employees autonomy, opportunities to coach and job challenge were of Key significance. A study of 139 academics from Jordanian University, Al- Omari, Qablan and Khasawneh (2009) stated that job fulfillment and organizational loyalty had a significant positive effect on intention to stay among the academic staff. Similarly, a study by Daly and Bierly (2006) on intention to leave of academics in public urban universities established that structural factors such as faculty work environment, autonomy, communication, general fairness and workload were related to intention to stay.

Lucas and Deery (2004) observed that by with loyalty strategies, organizations had significantly higher efficiency and lower employee loss rate, compared to those using control strategies. Employee retention issues are rising as the most important workforce organization challenge of the modern world. Since the mid-1990s, scholarly studies have been determining not only on finding out why employees leave organizations but also engaged on those factors that positively influence employees to stay with an organization as well as the benefits linked with retaining tenured employees. Effectively planned and well implemented employee retention programs that increase employee tenure more than remuneration for themselves through reduced turnover costs leading to increased productivity.

2.3.6 Hotel Rating

Research studies establish that the classification category in the hotel sector is an indicator of price rather than quality (Danziger, Israeli & Bekerman, 2004). From the customer point of view, price and stars category may be factors determining expectations (Danziger *et al.*, 2006). Therefore, when a customer pays a high price to go to a hotel of a high category is more demanding, has higher expectations and then his quality appraisal and satisfaction are influenced (Lopez Fernández & Serrano

Bedia, 2005; Fernandez Barcalà *et al.*, 2009; Davutyan, 2007). Moreover, hotel classification is generally producer-driven rather than customer-driven (Briggs *et al.*, 2007).

Classification of hotels in Kenya is about setting of standards documented in the Kenyan Hotels and Restaurants Regulations Act which was established in 1988 (Kenya Law Reports, 2009). The regulation classifies Hotels in to five classes denoted by stars with 'five' being the highest and 'one' the lowest. Grading of the hotels and restaurants is done to promote tourism products and separate performers from those who do not standards and regulations (Kenya Law Reports, 2009). It is good for tourism, and it is an incentive for hotels, tour operations, resorts, and lodges to improve and aim for even better standards.

The rating of Hotels and Restaurants is established in the manner prescribed by the Hotels and Restaurants Authority Published in the Legal Notice No. 30 of February 16, (2009) of the Hotels and Restaurants Act. Classification of the hotels is done according to the quality of services and facilities offered and their standards ranging from one star to five stars. Internationally, the classification of hotels and restaurants creates standardization in the hotel industry providing ordinary elements in every class of hotel and restaurant that their clients should expect. The hotel business is regulated by two Acts of parliament namely: Hotels and restaurants Act (Cap 494) and the tourist Licensing Act (Cap 381). The hotels offer superior comfort in comfortable surroundings and highly tailored services (Kamau & Waudo, 2012). They are characterized with executive rooms, conference rooms, night club bars, fully equipped fitness clubs, swimming pools, shopping villages, outside catering and grounds for outdoor activities.

According to Kamau and Waudo (2012), Kenya Utalii College is a world class Hotel and training institution that is recognized by World Tourism Organization (WTO) as one of the sixteen "center of excellence" in hospitality and tourism education and training in the world. Sometimes there is a lack of correspondence between the hotel ranking and the service offered, based on customer expectations. A joint study on hotel classification between the World Tourism Organization (WTO) and the

International Hotel and Restaurant Association (IH&RA) was carried out with the “aim of developing a single hotel grading scheme to be used internationally with the objective of benefiting both customers and service providers,” (WTO and IH&RA, 2004).

Star classification points out the price level of hotels but does not necessary meet client expectations and preferences as reported in previous research (Lopez Fernández & Serrano Bedia, 2004; Israeli, 2002; Danziger *et al.*, 2004); more attention to quantitative and technical elements (room size, bars and restaurants equipment, etc.) rather than service aspects that are more difficult to measure and quantify (IH&RA-WTO, 2004; Briggs *et al.*, 2007); cases of new categories which are not regulated by official systems. For example, 6 and 7-star hotels. The two most famous cases in the world are the 7-star Burj Al Arab Dubai and the Town House Galleria in Milan. This is more recurrent in countries where the rating system is voluntary but we also have an example in Italy where regions sometimes develop their own categories (for example the Region of Trentino Alto Adige with the 4-star superior hotels).

2.4 Empirical Review

2.4.1 Career Development

Numerous studies have been conducted on the effect of reward practices on employee retention both globally and locally. Globally, Sangaran and Jeetesh (2015), examined the factors of job satisfaction that affected the employees’ decision to quit in the hotel industry. A survey method was used in which a sample consisting of 150 participants was used for the study. The participants consisted of operational employees working in four and five star industry in Kuala Lumpur. The results of the study showed that job performance does influence turnover while choice of work doesn’t. Factors of satisfaction that influenced turnover were established to be wages/salary and opportunity for advancement/ career progression. The study recommendation is that there is need to be a balance of all the factors of job satisfaction so as to attract and maintain employees as all these factors directly lead to employee turnover.

The finding coincides with the study by Chitalu (2011), whose finding showed that one of the key factors of retaining talented employee is through training and career development opportunities. In addition, Waleed (2011) research also concluded that proper training and career development have a positive relationship to employee retention as it makes the employees feel that the organization recognize their strength and creates opportunity to further develop their qualities. Nyanjom (2013) studies also ranked career development as the most important factors that influencing employee retention. The study therefore concludes that there is a significant positive influence of career development and employee's retention.

Bigliardi, Petroni, and Dormio (2005), conducted a study to compare the relative influences of organizational socialization and career aspirations on turnover intentions of design engineers and to address the design of more effective development programs and the reduction of dysfunctional turnover. A total of 442 engineers were used for the study using a research model that was tested using structural equation modeling techniques. The findings indicate that design engineers report lower levels of turnover intention when organizational socialization is prominent and an adequate range of opportunities that satisfy career aspirations exist within the organization. The recommendations of the research was that managers of technical staff are advised to put an effort to develop and encourage lateral career moves of research and development staff members, particularly for newcomers, by offering a variety of experiences, that is likely to speed up their prompt creation of a better defined self-concept, Bigliardi *et al.* (2005)

Locally, Mapelu and Jumah, (2013) conducted a study to investigate the effects of training and development on employee turnover in selected medium sized hotels in Kisumu Kenya. The objective of the study was to investigate the effect of human resources practices on employee turnover on selected medium sized hotels in Kisumu. A survey research design was used in which 24 medium sized hotels with 350 employees target participants. The hotels were selected using purposive sampling method, while the departments were selected using stratified sampling method and the simple random sampling was used to select respondents from the departments. Six hotels with 187 employees and 245 management staff were selected for the study. The

findings of the study indicated that employee development significantly affected employee turnover. The recommendations of the study were that training was an important tool that could be used by hotels to build a more committed and productive workforce.

2.4.2 Job Promotion

Johnston et al. (2011), carried out a study to establish the relationship between promotion and turnover using diverse work correlated variables. A longitudinal quasi experimental design was used and a sample of 157 sales people. The results showed relationships between the internal and external movement of the employees. Several key job related attitudes such as organizational commitment, propensity to leave, promotion satisfaction, as well as salary vary over time. In addition, there were significant differences between groups promoted stayers and non-promoted leavers for satisfaction with supervisor, and time had a significant effect on all dependent variables except job anxiety.

Past studies as established by Gaiduk and Gaiduk (2009) found that employee intentions to stay with an organization are determined by three main groups of variables which are employee personal distinctiveness such as gender, age, position level; the nature of an employee's present work; and satisfactory working conditions such aspects as the quality of current regulation, opportunities for promotion, career development, and quality of communication within the organization. In a study of retention of employees in Australian Organizations, Chew (2004) contended that younger employees focused on remuneration, acquisition of skills, career and development, career progression, promotion, growth opportunities and recognition. For older employees autonomy, opportunities to mentor and job challenge were of grand significance.

A study of 139 academics from Jordanian University, Al- Omari, Qablan and Khasawneh (2009) observed that job contentment and organizational loyalty and commitment had a significant positive effect on intention to stay among the academic staff. Correspondingly, a study by Daly and Bierly (2006) on turnover intention of academics in public urban universities established that structural factors

such as faculty work atmosphere, independence, communication, general fairness and workload were related to intention to stay. Hence, a study of academics in Makerere University by Amutuhaire (2010) established that salary and term of service influenced their retention. Kipkebut (2010) in a study on organizational commitment and job satisfaction of employees in universities in Kenya elucidated that role conflict, promotional opportunities, and age were some of the factors that influenced employee intention to quit the university.

Alkandari and Hammad (2009) carried out a study on employee's retention in private sector in an exploratory study in the state of Kuwait. The results of their study shows that reward factors such as remuneration and compensation were rated as most significant to the private sector personnel in the state of Kuwait followed by leave benefits and differed compensation. They explained that the three strategies rated most important to private sector workforce are rewards and recognition, periodical performance appraisal and career and development. While work at home, voluntary reduction in work schedule and alternative work schedule were rated as least important. The culture of private sector organizations in the state of Kuwait are based on sincerity and reliance, effective communication and good deal of time spent by supervisor listening to employees' ideas and suggestions. Finally, their result of employees' career plan shows that high rate of private sector employees had no plans to quit or retire from state employment within the near future.

2.4.3 Remuneration

Msengeti and Obwogi (2015), evaluated the effects of the pay and work environment on the retention of employees in the Hotel Industry in Mombasa County. In their findings it was revealed that pay had a weak influence on employee retention while work environment had the strongest influence which was significant. While it was evident from the results that work environment plays a major role in employee retention, it was clear that the amount of salary one would earn was not an independent factor to determine employees' retention. Therefore for companies to remain competitive in the hotel industry it was recommended that employers in the industry also need to re-evaluate the current weaknesses associated with pay.

Wambugu and Ombui (2013) did a study on the effects of reward strategies on employee performance at Kabete Technical Training Institute, Nairobi. The study also sought to determine the extent to which personal drive for achievement, growth opportunities, recognition, Staff promotion influences employee performance at KTTI. A stratified random sampling technique was used to select a sample of 159 respondents from a target population of 270 employees. The study adopted a descriptive research design and utilized both primary and secondary data. Structured and unstructured questionnaires were used to collect primary data while secondary data was collected through document review. Data analysis was carried out using both qualitative and quantitative techniques with the aid of SPSS while the main method of data presentation was frequency distribution, pie charts, graphs and cross tabulation. The study found a significant relationship between the reward strategies and employee work performance. The study concluded that personal need for achievement played a key role in influencing employee performance and given a choice employees showed preference for promotion, better remuneration, cash gifts and training opportunities as reward strategies.

Alkandari and Hammad (2009) studied employee's retention in private sector in an exploratory study in the state of Kuwait. The result of their study shows that benefits factors such as salary and compensation were rated as most important to the private sector workforce in the state of Kuwait followed by leave benefits and differed compensation. They explained that the three strategies rated most important to private sector workforce are rewards and recognition, annual performance appraisal and training opportunities.

Kimunge (2014) conducted a study on the effects of total rewards on employee retention in Kenya Vision 2030 Delivery Secretariat. The study was a descriptive survey. A census survey was conducted on the entire population of the Kenya Vision 2030 Delivery Secretariat. The census method was preferred as the researcher was interested in each and every member of the population of the Secretariat. The study found that compensation, work-life balance, training and career growth have positive impact in employees' decision to stay or leave an organization. However, a poor compensation structure and lack of career growth were seen to be the components that

have the most profound impact on employee retention at Kenya Vision 2030 Delivery Secretariat. Inferential statistics further revealed that among other factors, compensation, work-life balance, training and development and career growth are key determinants of employee retention from a human resource management perspective.

2.4.4 Employee Recognition

Numerous studies have addressed the impact of employee compensation, rewards and recognition on turnover and retention (Walsh & Taylor, 2007). Bartłomiejczuk (2015) conducted a study on how recognition programs impact employee engagement and how have companies with a large global footprint structured such programs to drive results. The results indicated that employee engagement is now the largest concern of many companies' HR departments and it is widely suspected that recognition has an important role to play in fostering engagement. While recognition is not new, it is finally becoming more strategic as programs align recognition with business objectives and desired behaviors.

Tessema, Ready and Embaye (2013) carried out a study on the effects of employee recognition, pay, and benefits on job satisfaction. In this cross-sectional study, survey responses from university students in the US, Malaysia and Vietnam were analyzed. Employee recognition was found to have a significant impact on job satisfaction, regardless of home country income level (high, middle or low income) and culture (collectivist or individualist). However, the effect of employee recognition on job satisfaction was significantly more important for US respondents than for respondents from Malaysia and Vietnam. Nolan and Sara (2008) in their research study on current trends in talent management, emphasized critical recognition as one of the main topics for developing and retaining the best employees and enabling organizations.

Rizwan Danish (2010) suggested that the Human Resources are the most important among all the resources an organization owns, and to retain efficient and experienced workforce in an organization is very crucial in overall performance of an organization. The results showed that different dimensions of work motivation and satisfaction are significantly correlated. It also displayed that reward and employee

recognition has great impact on the motivation of the employees and their intention to stay with the organization. Eva Kyndt *et al.* (2009) focused on the organizational and personal factors that influence employee retention. The study found that a large positive contribution of recognition and stimulation of the employee to employee retention.

Bartlomiejczuk (2015) found that employee recognition was positively related to employee engagement: 41% of the variation in employee engagement is attributable to the strength of recognition an employee receives. A research study by Corporate Leadership Council (2009) indicated that approximately 90% of companies maintain some type of reward and recognition program. The majority of companies use these programs to create a positive work environment, improve employee morale, and motivate high performance. Research suggests that when designed and implemented properly, reward and employee recognition positively affects an organization's bottom line. Although reward and recognition programs have the potential to produce positive returns to shareholders, research demonstrates that such benefits will only be achieved through an effective program that reinforces an organization's goals and values in a well publicized, thoughtful program affecting a large number of employees.

Khan, Zarif and Khan (2011) conducted a study on the effects of recognition-based rewards on employees' efficiency and effectiveness. For the purpose of study a close ended questionnaire was used to infer the relation between supervisors' recognition (independent variable) and employees' performance, their desire to remain with the organization, and their long term effectiveness in within the organization etc. (dependent variables). Al-Karam Towel Industries Limited Karachi was selected for the study where at sample size of 100 employees was opted for. The effect of supervisory recognition on employees was examined using chi2 inferential test. The study found that employee recognition-based rewards on employees' efficiency and effectiveness.

2.4.5 Employee Retention

The most paramount retention strategies in the hotels are financial and non-financial rewards and benefits. Several studies have looked into the influence of employee compensation, rewards and recognition on employee turnover and retention (Walsh & Taylor, 2007). In terms of salary, a study by Norris (2012) found out that personnel in hotels are usually paid poorly, compared with government standard remuneration, staff in hotel earns just about 73% of the whole industry average. Another survey conducted by Choy (2012) established that hospitality employees' average annual pay has been found to be about 16.5% to 31.6 % below than the hotel industry average and government standard remuneration.

Another survey established that employees will stay in an organization as long as it satisfies their personal concerns to do so better than the alternatives accessible to them in other sectors (Shaw, Jenkins, & Gupta, 1998). Although several study investigated the compensation can strongly influenced the staff turnover rate, also several other research have indicated that compensation in the form of base or variable pay may not be sufficient to attract or retain staff. The most important retention predictors included intrinsic fulfillment and working conditions rather than monetary rewards were confirmed by Milman (2003). Furthermore, the lack of opportunity for professional growth and development affects hotels' turnover rate and retention instead of remuneration and balance between life and work (Walsh & Taylor, 2007).

Past studies on employee retention plainly explain that fulfilled employees who are contented with their jobs are more committed for doing a good job and look forward to enhancing their clients' satisfaction in the organization. Mendez and Stander (2010) further states that a business need to empower in employee retention in order to be successful. Many studies have established that in the present rapid changing dynamic, uncertain and highly viable world businesses, industries globally are faced with trivial decisions and hurdles in the universal capacity management (Schuler *et al.*, 2011; Scullion *et al.*, 2010; Tarique & Schuler, 2010).

According to Vijay Kumar *et al.* (2012), software industries in India, face difficulties in several retention and attrition strategies of competent workforce. The scholars examined the phenomenon if employee retention in the IT sector can assist organizations to retain their high performing and competent staff. The study established that HR department has to play a fundamental role in drawing policies and systems that facilitate the organizations to retain the human resources contributing significantly to the business. Eric *et al.* (2012) studied how employees regard the importance of their career development, equity of reward compensation, job design through skills acquisition and expectancy toward efficient performance management on their retention. It was found that training and development, performance management and compensation are significant to employee retention. Notably, various studies explain the significance of high employees participation and how it could improve their retention. In summing up, the past studies define retention as ongoing relation between employees and their organization.

2.4.6 Hotel Rating

Reviewing case studies, literature and laws, and personal interviews with public authorities and exponents of the private sectors assisted to identify similarities, important characteristics and trends in hotel classification systems. The complexity of hotel quality programmes is influenced by the diverseness of the hotel sector in terms of supply and demand (Kotler *et al.*, 2010). Different countries and regions can choose different approaches depending on the features of the classification system. Moreover, hotel branding is considered a significant component that communicates a certain level of quality to the client, create value and guest reliability (O'Neill & Mattila, 2010).

The Forbes Travel Guide in the United States, for example, rates hotels using a star classification system. More than 550 criteria are established by a mystery inspector who allocates a number of stars from 1 to 5. In Italy, the Touring Club Italiano, an association aimed at promoting and developing tourism, assigns stars to hotels on the basis of a 6- category scheme (from the “no star” level to the 5-star luxury level). Another way to determine a hotel’s level of quality is to verify if the organization has received a quality award such as the Malcolm Baldrige National Quality Award

(MBNQA), the Six Sigma Award in the United States, or the European Foundation for Quality Management Award (EFQM) in Europe, adopted also in Italy with the name of Premio Ospitalità Italiana. These programmes are based on the Total Quality Management (TQM) approach and the main objectives are to reach excellence within a specific sector and to increase customer satisfaction (Fisher *et al.*, 2001; Kujala & Lillrank, 2004; Williams & Buswell, 2003). However, these awards are not so developed in the hospitality industry. We also find quality certifications based on the adoption of the ISO 9000 standards introduced by the International Organization for Standardization (ISO) in 1987. A model of quality assurance is proposed to rationalize quality issues in contractual business-to-business relations, and establish a quality system (Tsekouras *et al.*, 2002; Van Der Wiele, 2002; Van Der Wiele *et al.*, 2006). Even if today brand is not yet one of the most considered attribute in the customer purchasing process (Callan & Bowman, 2000; Brown & Russel, 2004), the situation is changing due to the development of leading brands competition in the same location.

Studies reveal that at present, the trend is the strategy to align different systems of various countries. An example is the new star rating system recently endorsed by the Italian government (2009), which sets minimum national standards that hotels must meet within the Italian territory. A case of success of this trend is the Nordic Baltic Classification that consists of six northern European countries (Denmark, Sweden, Iceland, Estonia, Latvia and Lithuania) which all agree on minimum quality standards for the hotel star rating system. So far, no international classification has been adopted, even though several attempts to unify the classification system have been made. New research and projects are developing to try to create a single standard, but the diverseness of the hospitality sector and the large number of existing programmes for quality makes this plan very difficult to put into place (IH&RA-WTO, 2004). The past studies found out that internet rating on booking behaviour of the tourist has progressively changed with the expansion of new technologies. Many tourism services are now bought on the net using electronic distribution systems: flights, hotel stays, car rentals, (Deloitte, 2006; PhoCusWright, 2010). These booking engines, in order to capture hotel guests' interest and loyalty, generally offer ratings to help consumers find hotels that meet their requirements. A

statement of Nielsen (2010) put across that online reviews in purchasing travel services play an important role even if other studies confirm the significance of traditional word-of-mouth that is generally considered more consistent (Marketing NPV, 2006).

2.5 Critique of Existing Literature

Despite the many studies that have been conducted globally and locally on the effect of different resource management practices on employee retention, these studies do not show the effect of reward management practices such as job promotion strategies, employee recognition, career development, and remuneration on employee retention in the hotel industry in Kenya.

For instance, the findings of a study conducted by Sangaran and Jeetesh (2015) on the factors of job satisfaction that affected the employees' decision to quit in the hotel industry cannot be generalized to the five star hotel industry in Kenya, due to difference in economic, political and business environment. In addition, the dependent variable was factors for job satisfaction which is different from reward practices.

Further on, a study conducted by Johnston *et al.* (2004) was limited to promotion as the independent variables and hence did not show how other reward practices were influencing employee retention. Further, a study conducted by Bigliardi *et al.* (2005) on influences of organizational socialization and career aspirations on turnover intentions of design engineers was limited to design engineers. In addition, the independent variable was organizational socialization which is different from reward practices.

A study conducted by Mapelu and Jumah, (2013) was limited to training and development as the independent variable and hence did not outline the effect of the other variables. In addition, the study was limited to Kisumu and hence its findings cannot be generalized to the other parts of the country. Similarly, the findings of a study conducted by Msengeti and Obwogi (2015) on the effects of the pay and work environment on the retention of employees in the Hotel Industry in Mombasa County cannot be generalized to the other parts of the country. Further, a study was conducted

by Wambugu and Ombui (2013) was limited to Kabete Technical Training Institute, Nairobi. In addition, the dependent variable was employee performance which is different from employee retention. Finally, a study by Kimunge (2014) was limited to Kenya Vision 2030 Delivery Secretariat and hence its findings cannot be generalized to the hotel industry in Kenya. The critique of literature has brought out the shortcomings of the studies undertaken by other researchers.

2.6 Summary of Literature

This study has reviewed the theories which explain the following variables of the study, career development, job promotion, remuneration and employee recognition. The human capital theory asserts that a significant amount of an organizations value is possessed by its employees and when the key employees leave companies, they take this value with them, (Sutherland, 2004). The human capital theory explains the first hypothesis. The second hypothesis is explained by the Equity theory that states that employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outcomes of others (Adams, 1965).

The third hypothesis has been instigated by the Maslow's hierarchy of needs theory that suggests that for managers to motivate employees, they need to devise programs or practices aimed at satisfying emerging or unmet needs since most of the lower needs are felt again and again (Kreitner, 2004). When the need hierarchy concept is applied to work organizations (Pearce, 2011), managers have the responsibility to create a proper climate in which employees can develop to their fullest potential. The fourth hypothesis has been anchored on two factor theory that asserts that employees are not motivated by hygiene factors like salaries alone but there are various other factors other than the salary that can motivate employees. Herzberg argues that true satisfaction is primarily a product of internalized motivation factors such as praise or recognition for efforts and opportunities for advancement (Herzberg, 2013).

The empirical literature review on employee retention clearly explains that satisfied employees who are happy with their jobs are more devoted for doing a good job and look forward to improve their organizational customers' satisfaction. Magnusson and

Silfverberg (2013) suggest a mixed model, aiming to analyze factors within job satisfaction to show how important they are for employee retention and, to show the relevance of employee retention so that the organization can strengthen and develop those factors that strongly contributes to retention opportunities. The concept of Lee and Mitchell's theory of job embeddedness is emphasized by the strength of the relationship between job satisfaction and the employee. Lee *et al.* (2004) indicate that the relationship between job embeddedness and employee turnover and retention can diverse due to context. Moreover, the absence of opportunity for professional growth and development affects hotels' turnover rate and retention.

2.7 Research Gaps

Various studies have been done both locally and internationally on the effect of reward practices on employee retention. Globally, Sangaran and Jeetesh (2015) examined the factors of job satisfaction that affected the employees' decision to quit in the hotel industry; Brough and Frame (2004) did a study to examine the influence of organizational variables (sexual harassment) and individual variables (perceptions of social support) upon job satisfaction and turnover criterion; Bigliardi *et al.* (2005) conducted a study to compare the relative influences of organizational socialization and career aspirations on turnover intentions of design engineers.

Locally, Mapelu and Jumah, (2013) conducted a study to investigate the effects of training and development on employee turnover in selected medium sized hotels in Kisumu, Kenya; Msengeti and Obwogi (2015) evaluated the effects of the pay and work environment on the retention of employees in the Hotel Industry in Mombasa County; and Kimunge (2014) conducted a study on the effects of total rewards on employee retention in Kenya Vision 2030 Delivery Secretariat. However, the findings of these studies cannot be generalized to the KHAC hotels in Kenya due to difference in regulation and structure among other factors.

The theoretical and empirical examination revealed that reward practices that could affect employee retention are numerous and include compensation, career management, work-life balance and employee engagement. However previous studies on best practices in reward management practices have been fragmented and

researchers have not arrived at an effective blend of practices that could improve organisational commitment and retention (Chew & Chan, 2008). Also most of the studies on retention were conducted mainly in Western World (Samuel & Chipunza, 2009). Hence, there is a limited empirical study on employee retention in Africa (Tettey, 2009).

Further, a specific research examining the effects of reward management practices on retention of employees in the hotel industry in Kenya could not be found. This suggests that, there is limited empirical evidence on employee retention in the developing world like Kenya hence there is a research gap. Accordingly, this study seeks to fill this research gap by investigating the effects of reward management practices on retention of employees in hotels in Kenya. The hotel industry has been chosen because hotels play a very important role in the economy of Kenya. Nevertheless, the studies mentioned above did not outline how career development, remuneration, job promotion and employee recognition affects employee retention in hotels registered under KAHC. Studies on hotels in Kenya are also few and have not addressed the specific objectives highlighted by this study. The study used descriptive research design with a sample of 137 respondents which is different from the other studies. The research gaps based on the studies that have been undertaken by other researchers point out greatly on hotels in specific counties ignoring all the hotels that are registered under Hotel Keepers and Caterers Association. This gave the study a chance to carry out a comprehensive research to establish the effect of reward management practices on employee retention in hotels in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that was used in gathering the data. Areas discussed include the research design and philosophy, target population, sample frame, sample size, sampling technique, data collection instrument, data collection procedures, pilot study to test validity and reliability of the research, data analysis and presentation procedures that were used to analyze the data to give results of the findings.

3.2 Research Design

Burns and Grove (2003) define a research design as an outline for carrying out a research study with utmost control over factors that may hamper the validity of the findings. The study used descriptive research design. Descriptive study involves finding out who, what, where and how much of a phenomenon, which is the concern of the study. (Sekaran, 2011) observes that the goal of descriptive research is to offer the researcher a profile or describe pertinent features of the phenomena in question from the person, organization, business or other perspective. Descriptive research design is suitable when the objective is to establish the extent of the relatedness of the variables (Elahi & Dehdashti, 2011). This study adopted a descriptive research design since it helps to understand the characteristics of a group in a particular situation, to aid in making certain decisions (Abok, 2015). A descriptive approach was suitable for this study because other scholars who researched on related topics adopted this design, (Kimani & Waithaka, 2013; Njoroge, 2012; Abok, 2015). This design was therefore in line with the philosophical direction and scope of the study. It is probable that this design will support the study's desired objectivity and allow the logistical flexibility essential for data collection and data analysis (Blumberg et al., 2014).

3.2.1 Research Philosophy

Saunders, Lewis and Thornhill (2007), define research philosophy as a word linking to the development of knowledge and the nature of that knowledge. Positivism describes the research task as involving the collection of data upon which to support general propositions that can be tested (Bryman & Bell, 2015). Positivism is frequently associated with quantitative methods that rely on the researchers' ability to amass numerical evidence of the phenomena under investigation and analyze it to answer the research questions (Salkind, 2010). There are four pillars of research philosophy i.e. positivism which tries to uncover the truth about how things are at least what we focus on; realism which is about objects existing independently from knowledge; Interpretivism which focuses on understanding the difference between humans and their role as social actors; pragmatism which argues that it is possible to work within both positivism and interpretivism (Saunders, Lewis, & Thornhill, 2009). This study adopted a positivism philosophy that there can be a quantitative and qualitative approach to investigating a phenomenon.

3.3 Target Population

Population is defined by Blumberg, Cooper and Schindler (2014), as all the fundamentals that rally the basis for inclusion in a study. There are two types of population: the target and the accessible population. Target population comprises of all members of a valid or theoretical set of groups, events or objects from which a researcher desires to generalize the outcome of their research while accessible population comprises of all the persons who practically could be incorporated in the sample (Gall, Gall, & Borg, 2014). The population of this study was 213 hotels registered with Hotelkeepers and Caterers Association in Kenya as shown in Appendix IV. The hotels were grouped in seven regions as shown in table 3.1.

Table 3.1: Hotels

	Regions	Population
1	Coast	46
2	Malindi Watamu	15
3	Mount Kenya	24
4	Nairobi	54
5	Rift Valley	54
6	Western & Nyanza	4
7	Amboseli Tsavo	16
	Total	213

(Source: KAHC, 2015)

3.4 Sample and Sampling Technique

3.4.1 Sampling Frame

This describes a listing of the accessible population from which the sample is drawn (Trochim, 2006). Sampling frame is the actual set of units from which a sample has been drawn (Mugenda & Mugenda, 2008). The sampling frame for this study was all the regions in Kenya. These include Coast, Malindi Watamu, Mount Kenya, Nairobi, Rift Valley, Western and Nyanza, and Amboseli Tsavo. The sampling frame for this study was the list of 213 hotels that are registered under Hotel Keepers and Caterers as shown in Appendix IV. The study used 137 human resource managers.

The sample size chosen by the researcher should be capable of giving enough information about the population and one which can be analyzed with ease, Kothari (2004). A sample is a representative selection of the population, (Latham, 2007). According to Mugenda and Mugenda (2008) sample size must be large enough to be representative of the universe population. The sample size for this study was determined using the sample table developed by Krejcie and Morgan formula developed in 1970 as shown in Appendix II (Research Advisors, 2006). It is common practice for most studies for the confidence level to be at 95% and a precision +/- 5%

(Gupta 2012). The population for this study is 213 therefore the sample size at 95% confidence level was 137 hotel managers.

The following formula was applied.

$$n = \frac{X^2 * N * P * (1 - P)}{(ME^2 * (N - 1)) + (X^2 * P * (1 - P))}$$

Where;

N= sample size

X^2 = Chi-square for the specified confidence level at 1 degree of freedom

N=Population size

P= Population proportion

ME=Desired margin of error (expressed as a proportion)

$$= \frac{3.841 * 213 * 0.5 * 0.5}{(0.05^2 * (213 - 1)) + (3.841 * 0.5 * 0.5)}$$

n=137 hotel managers

The sample size in each of the strata was determined by use of the following formula;

$$n_h = (N_h / N) * n$$

where;

n_h is the sample size for stratum h ,

N_h is the stratum h population size,

N is total population size,

n is total sample size.

Simple random sampling was then used to select HR managers per hotel. Therefore the sample size of this study was 137 hotel managers, which is 64.32% of the target population as indicated in table 3.2.

Table 3.2: The Sample Size

Hotel Regions	Population	Sample Size	Percentage
Coast	46	30	22
Malindi Watamu	15	10	7.4
Mount Kenya	24	15	11.7
Nairobi	54	35	25
Rift Valley	54	35	25
Western& Nyanza	4	2	1.5
Amboseli	16	10	7.3
Total	213	137	100

Source: KAHC (2015)

3.4.2 Sampling Techniques

The study used stratified random sampling technique with a proportional allocation of each stratum. Stratified sampling is used for data which does not constitute a homogenous group but that which is heterogeneous. The population is divided into subgroups which have common characteristics; systematic samples are then computed from each subgroup (Westfall, 2008). A stratum is a level or class to which people are assigned according to their social status, education, or income or any other common characteristic. In this study, the strata were the hotels as the employees in each hotel work under the same environment and conditions. Proportionate stratification was used to select the sample size per hotel region. In proportionate stratification, a random sample from each stratum was taken in a number proportional to the stratum's size when compared to the population (Greener, 2008). These strata subsets were then pooled to form a random sample.

Questionnaires were administered to 137 human resource managers who are registered with KHAC in 2015.

3.5 Data Collection Instruments

This study collected data using questionnaires as the data collection instrument. The study used structured questionnaires to assemble data from respondents. A questionnaire with high consistency would receive similar answers if it is carried out over and over or by other researchers (Bryman & Bell, 2015). In addition, the questionnaires were well-situated for the assignment because they could be simply and expediently administered with the study sample. The use of questionnaire was less costly and time consuming as compared to the use of interview. Data collected through the use of well structured questionnaire is straight forward to analyze.

The questionnaire used likert scale because it required respondents to respond to a series of statements by indicating whether he or she agreed to a great extent or no extent as shown in Appendix I. Likert scale is used since it is straight forward to comprehend and responses are simply experimental and subjective to computation of mathematical analysis (Allen et al., 2011). The study used the self administered method of drop and pick, where the questionnaires were hand delivered to ensure safe delivery and collection. The questionnaires were sent with a cover letter outlining the objectives of the research, accompanied with directions for filling out the survey, some questionnaires were completed in the presence of the researcher. The questionnaire was filled by the human resource managers both on the dependent and independent variable as shown in Appendix I.

3.6 Data Collection Procedures

Data collection is defined by Burns and Grove (2008) as the accurate, methodical assembling of data relevant to the research sub-problems, by means of methods such as interviews, participant observations, focus group dialogue, narratives and case histories. Questionnaires were used to obtain qualitative data for analysis in this study. Yang (2008) contended that the questions in a study are directly linked to the

research questions. The study obtained a data collection letter from Jomo Kenyatta University of Science and Technology.

The study informed the management of the 137 hotels in advance before the questionnaires reached the respondents. The questionnaires were then administered through a drop and pick later method, this technique was an effective means to reduce potential non-response bias through increased response rate.

3.7 Pilot Study

A pilot study is a means of checking whether the study can be undertaken and provide data that is accurate (Cargan, 2007). Pilot studies pretest the research instrument such as the questionnaire (Gumbo, 2014). A pilot survey is intended to get rid of, in advance, some of the problems that are expected to be encountered during the ultimate study (Cooper & Schindler, 2006). Korb (2012) asserts that split test is the most important reliability type of evidence for questionnaires. The Pilot was done on 10% equivalent of the study sample of 13 respondents. This study carried out a pilot study in split test method whereby questionnaires was divided into two halves of even and odd question numbers. Data from each half was separately analyzed and the two results correlated to determine the reliability of the study instrument in consistently measuring the variables. A correlation coefficient of 0.7 indicated that the instrument was reliable.

3.7.1 Reliability of Research Instruments

(Mugenda & Mugenda, 2008) emphasized that reliability is done using Cronbach's Alpha Model on SPSS and that consistency is the assessment of the degree to which study instrument gives reliable results or data after repetitive trials. Reliability is the consistency of measurement, or the extent to which an instrument measures the same method every time it is used under the same circumstance with the similar subject (Bryman, 2015). The questionnaire's reliability was statistically measured by measuring the internal consistency using Cronbach's alpha. Cronbach alpha, which is a measure of internal consistency, was used to test the internal reliability of the measurement instrument. This was developed by Lee Cronbach in 1951 as a measure

of internal consistency of a test or scale, and normally expressed as a number between 0 and 1. The following equation applies.

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N-1) \cdot \bar{c}} \quad \text{Equation (Cronbach, 1951)}$$

Where N is equal to the number of items, \bar{c} is the average inter-item covariance among the items and \bar{v} equals the average variance.

A reliability coefficient of 0.7 and above is generally accepted to be appropriate, and the higher the score is the more reliable it is, (Adrian et al., 2003). The Cronbach's alpha reliability coefficient results were as follows; career development had a value of 0.919, remuneration had 0.878, job promotion had 0.870, employee recognition had 0.871 and employee retention had 0.730.

3.7.2 Validity of the Research Instruments

Validity is defined as the point to which an instrument measures what it was projected to evaluate (Kumar, Kumar, & Phrommathed, 2012). In addition, validity is based on the statement that what is being studied can be measured or captured, seeks to validate the reality and truth of any result or conclusions drawn from the data, indicates that the conclusions drawn are dependable and that the methods justify the conclusions. Validity of research instruments is established when what was targeted to be measured is carried out clearly without accidentally including additional factors. The validity of this research instrument was measured through the opinion of experts especially the research supervisor, who is knowledgeable in this field. It was also tested during the pilot study. Any ambiguity or non-clarity in the questionnaire items was cleared before the questionnaire was taken to the field for data collection. Validity is depicted by an instrument being reliable, though not valid, it is the extent to which the test results' interpretations are warranted (Kimberlin & Winterstein, 2008). This research study was guided by face, content and criterion types of validity as discussed by Kimberlin and Winterstein (2008). Face validity is not determined through statistical analyses but depends on face value judgment view

of one who is checking the instrument to determine whether it measured what is supposed to measure. Additionally, content validity, also known as logical validity, refers to the degree to which a measure shows all facets of a particular social construct which were determined by experts in the field in this study. Criterion validity determines the correlation of constructs that are supposed to be correlated and this study undertook this step.

3.8 Data Analysis and Presentation

Kothari (2011) elucidated that data collected has to be processed, analyzed and presented in tandem with the instructions laid down for the purpose at the time of developing the study plan. Analysis of data involves the conversion of data into significant information for making decisions, editing, error correction, rectification of exclusion and lastly compiling the information gathered. This study collected and analyzed data quantitatively and qualitatively. The quality and reliability of the study was further assessed using Cronbach's alpha. Analysis of data was done by use of Statistical Package for Social Science (SPSS Version 22) for Windows. Data analysis was carried out using: rate counts, percentages, means, standard deviation, regression and correlation. The results were presented in form of graphs, charts and tables. Fraenkel and Wallen (2011), reasoned that regression is the working out of a statistical correlation between one or more variables. The study used a multiple regression analysis to show the effect and influence of the independent variables on the dependent variable.

Consequently, the study used both descriptive and inferential statistics to analyze quantitative data. In descriptive statistics, the study used frequency, mean and standard deviation. In relation to inferential statistics the study used analysis of variance and multivariate regression analysis to test the hypotheses of the study. This study applied the use of a 95% confidence level. A 95% confidence interval implies a significance level of 0.05. This connotes that for a null hypothesis to be rejected, the p-value ought to be below the significance level (0.05). Analysis of variance was used to ascertain the difference in means between various categories. Correlation analysis and multiple regression analysis were also carried out to determine the

relationship between dependent variable and the four independent variables. According to Orodho (2007), a multiple regression analysis is used to show the relationship between variables. Data which was collected was tested for the assumptions of the various analytical models upon which was more preferred for this study was multiple linear regression, where data is distributed normally. The operationalization model is shown in Appendix III. The regression equation takes the form shown below:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Whereby; Y= Employee retention in the hotel industry in Kenya.

β_0 = Constant

β_1 - β_4 =Coefficients of determination

X_1 = Career Development

X_2 = Job Promotion

X_3 = Remuneration

X_4 = Employee Recognition

ε = Error term

The analyzed data was then presented in tables and figures.

A mediator or a moderating variable is a factor that influences the direction and the strength of the relationship between an independent or interpreter variable and a dependent standard variable. This variable may decrease or increase the direction of the relationship between a predictor variable and a dependent variable, or it may change the direction of the relationship between the two variables from positive to negative. Nonetheless, a moderating variable is supported if the interaction of predictor and moderator on the result of the dependent variable is significant. The

moderating variable in this study was hotel rating. The study used multiple regressions analysis (stepwise method) to establish the moderating effect of hotel rating (z) on relationship between independent variable and dependent variable.

The statistical model used for analysis was as follows:

$$Y = \beta_1 X_1 + \beta_2 Z + \beta_3 X_1 Z + \varepsilon$$

Whereby:-

Y is the dependent variable, Employee retention in the hotel industry in Kenya.

β_1 - β_2 are the coefficient

X_1 = independent variable

Z is the hypothesized moderator (hotel rating)

β_3 is the coefficient of $X_1 * Z$ the interaction term between hotel rating and

each of the dependent variables

ε is the error term

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the findings and discussions. It begins with a response rate, followed by demographic characteristics of the sample, descriptive statistics, inferential statistics and discussion of the findings. The findings were presented as per the objectives of the study which were; career development influences employee retention in the hotel industry in Kenya; to examine the effect of job promotion on employee retention in the hotel industry in Kenya; to establish how remuneration influences employee retention in the hotel industry in Kenya; to examine the effect of employee recognition on employee retention in the hotel industry in Kenya and to establish the moderating effect of hotel rating on the relationship between reward management practices and employee retention in the hotel industry in Kenya.

4.2 Response Rate

The sample size of this study was 137 human resource managers in hotels registered with Kenya Association of Hotelkeepers and Caterers (see table 3.2). Out of 137 questionnaires that were distributed, 117 were duly filled and returned, this gives a responses rate of 85.40% as shown in table 4.1. According to (Mugenda & Mugenda, 2008) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent; therefore, this response rate was adequate for analysis and reporting. This response rate indicates a reasonable representation of the sample and of the entire population.

Table 4.1: Response Rate

	Frequency	Percent
Responses	117	85.40
Non responses	20	14.60
Total	137	100.00

4.3 Reliability Results

This section presents reliability analysis findings. The questionnaire's reliability of this study was statistically measured by measuring the internal consistency using Cronbach's alpha. The Cronbach's alpha value range between 0.60 to 0.99, for the variables of the questionnaire used to be reliable (Ringim *et al.*, 2012). As a rule of thumb, acceptable alpha should be at least 0.70. A reliability coefficient of 0.7 and above was considered acceptable in this study.

Cronbach's Alpha Reliability Coefficient results in table 4.2 indicate that, 'career development' had a Cronbach's alpha of 0.919, 'remuneration' had 0.878, 'job promotion' had 0.870, 'employee recognition' had 0.871 and 'employee retention' had 0.730, all are above 0.7. The findings of the pilot study show that all the four scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 (Mugenda & Mugenda, 2008). This enhances the ability to predict outcomes using the scores and justifies the aggregation of the arithmetic mean.

Table 4.2: Cronbach's Alpha Reliability Coefficient

	N	Cronbach's Alpha
Career development	117	.919
Remuneration	117	.878
Job promotion	117	.870
Employee recognition	117	.871
Employee retention	117	.730

4.4 Demographic Information

This section presents the demographic information of the respondents which includes; age bracket of the respondents, their gender and years of service in the hotel, rating of the hotel, number of employees and years of existence.

4.4.1 Age Bracket of the Respondents

The results in figure 4.1 on age bracket of the respondents; reveal that 47.9% of the human resource managers were aged between 31 and 40 years, 39.3% indicated that they were aged between 41 and 50 years, 8.5% indicated that they were aged between 51 and 60 years and 4.3% indicated that they were aged between 21 and 30 years. This shows that most human resource managers in the hotel industry were aged between 31 and 50 years.

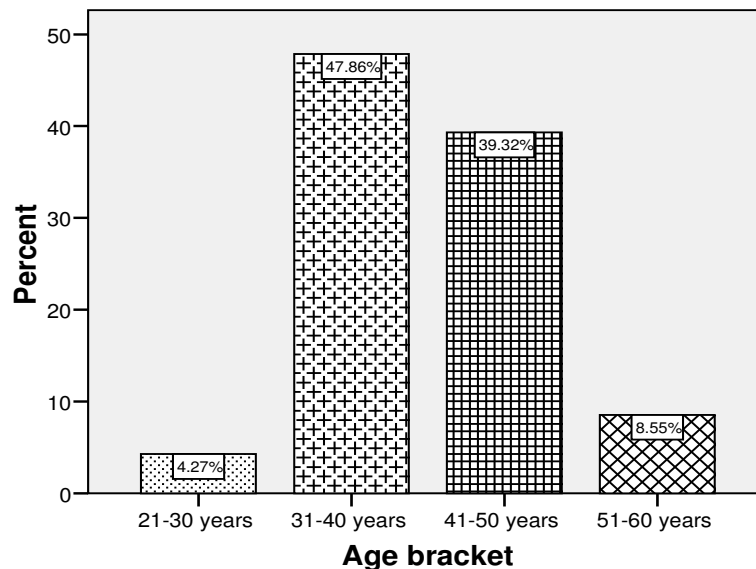


Figure 4.1: Age Bracket of the Respondents

4.4.2 Gender of the Respondent

The results in figure 4.2 show that, out of 117 responses that were obtained, 71.8% (84) were from male respondents while 28.2% (33) were from female respondents. This indicates that generally there were more male respondents in this study as

compared to the female respondents. Since the population was the human resource managers in the hotel industry in Kenya, the findings show a wide disparity between male and females in employment in the human resource managers' positions in the hotel industry in Kenya.

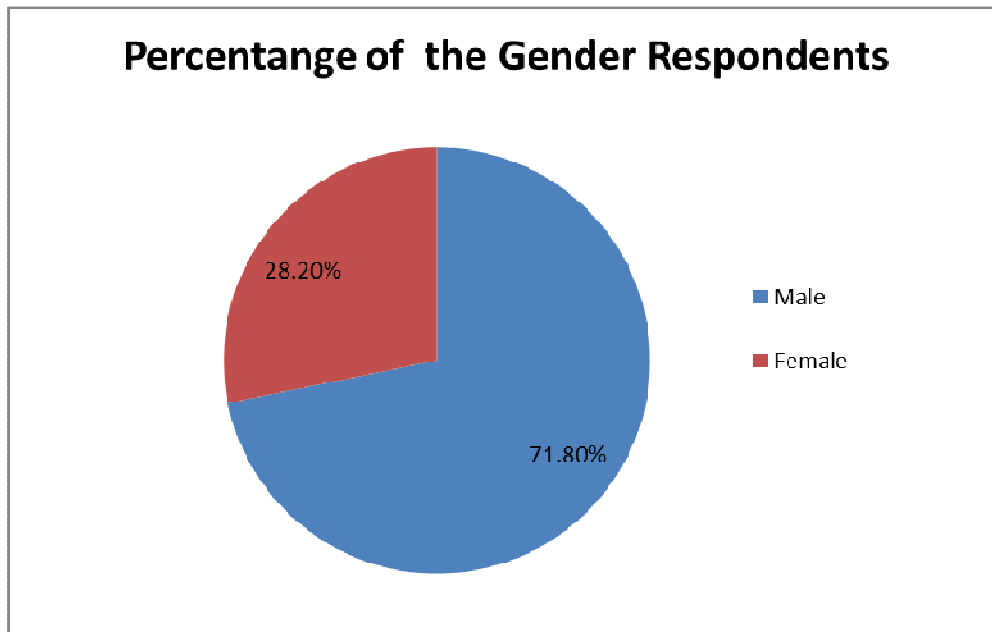


Figure 4.2: Gender of the Respondents

4.4.3 Years of service in the hotel

The results in table 4.3 on years of service in the hotel indicate that, 38.5% had served in their hotels for between 6 and 10 years and 24.8% for 11 to 15 years, while 14.5% indicated 16 to 20 years. About 3.4% had served in their hotels for between 26 and 20 years. This shows that most of the human resource managers had served in their hotels for between 6 and 15 years. These findings are contrary to Msengeti and Obwogi (2015) findings that most of the staff in the hotel industry in Mombasa had been working in their hotels for less than 6 years.

Table 4.3: Years of service in the hotel

	Frequency	Percent
Below 5 years	16	13.7
6-10 years	45	38.5
11-15 years	29	24.8
16-20 years	17	14.5
21-25 years	6	5.1
26-30 years	4	3.4
Total	117	100.0

4.4.4 Rating of the Hotel

The results in figure 4.3 on rating of the hotels, 45.3% of the human resource managers indicated that their hotels were five star, 35% indicated four star and 17.1% indicated three star. Also, 1.7% indicated that their hotels were six star and 0.9% indicated that their hotels were seven star. This shows that most of the hotels sampled in this study were five star and four star.

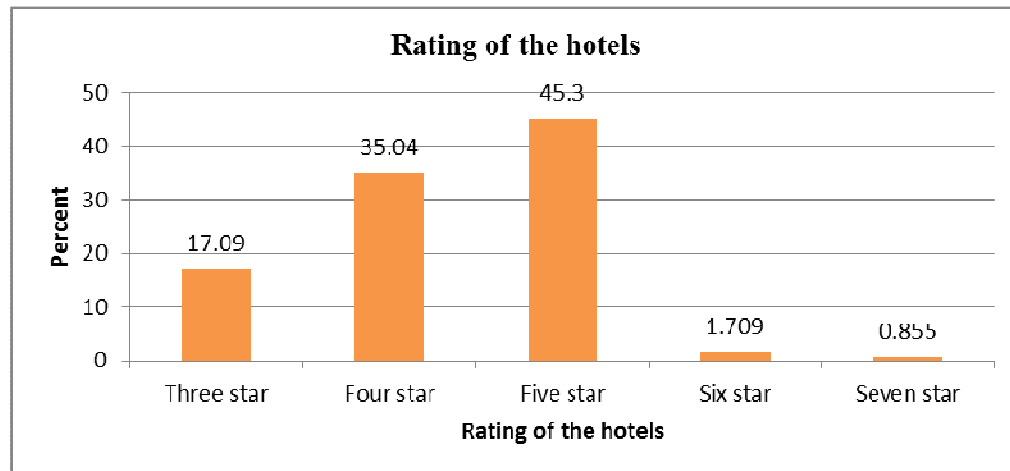


Figure 4.3: Rating of the Hotels

4.4.5 Number of employees per hotel

The results in table 4.4 on number of employees per hotel indicate that, 43.6% of the hotels had less than 100 staff, 28.2% had between 101 and 200 staff and 9.4% had between 201 and 300 staff. In addition, 0.9% of the human resource managers indicated that their hotels had between 501 and 600 staff and the same percent had between 701 and 800 staff. It is only 2.6% hotels that had between 801 and 900 staff.

Table 4.4: Number of employees per hotel

	Frequency	Percent
Less than 100	51	43.6
101 to 200	33	28.2
201 to 300	11	9.4
301 to 400	9	7.7
401 to 500	6	5.1
501 to 600	1	.9
601 to 700	2	1.7
701 to 800	1	.9
801 to 900	3	2.6
Total	117	100.0

4.4.6 Hotels' Years of Existence

The results presented in figure 4.4 on hotels' years of existence, show that 29.9% of the hotels had been in existence for between 12 and 23 years. In addition, the same percent of the hotels (29.9%) had been in existence for between 24 and 35 years. Only 5.1% of the hotels had been in existence for between 48 and 59 years. Also, 17.9% had been in existence for below 11 years. These findings clearly indicate that most of the hotels in Kenya have been in existence for between 12 and 35 years.

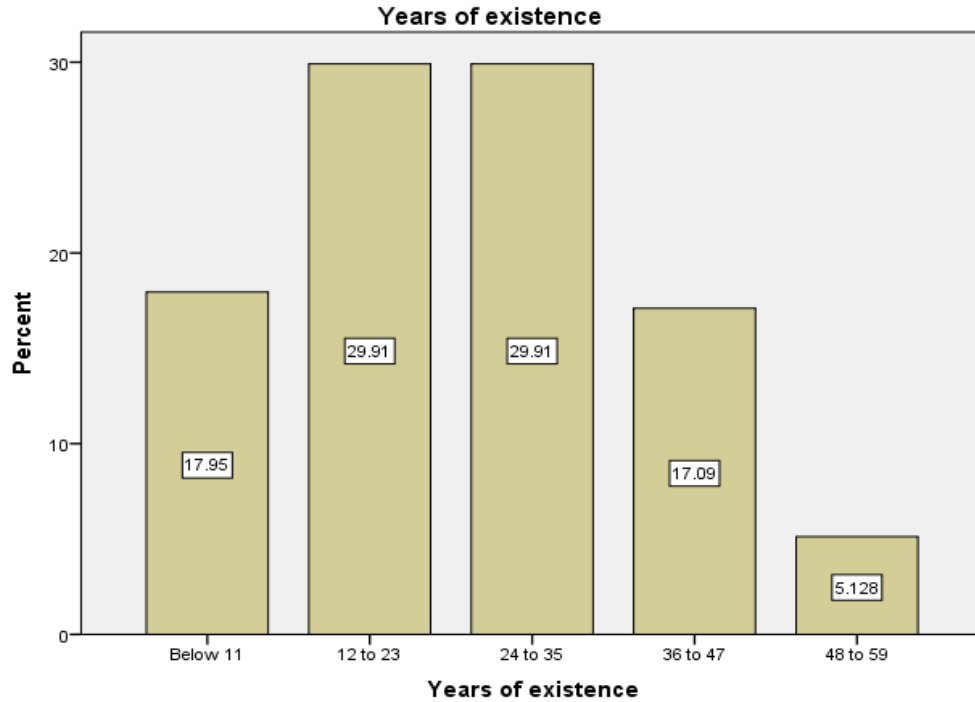


Figure 4.4: Hotels' Years of Existence

4.5 Descriptive Statistics of Reward Management Practises and Employee Retention

The mean and standard deviation from descriptive statistics are used to analyze the data. The average or mean is the most popular measure of central tendency (Thompson, 2009). The usage of means to explain a data set must be bounded to ratio and interval level data (Thompson, 2009).

4.5.1 Findings on the Influence of Career Development on Employee Retention

This section discusses the findings on the influence of career development on employee retention in the hotel industry in Kenya. The results in table 4.5; show that the respondents agreed with a mean of 4.521 and a standard deviation of 0.677 that career growth opportunities are available in their hotel. The respondents also agreed with a mean of 4.495 and a standard deviation of 0.702 that skills development opportunities were available in their hotel. The respondents agreed with a mean of

4.367 and a standard deviation of 0.826 that the hotel offers career development opportunities to all employees. The respondents further agreed with a mean of 4.478 and a standard deviation of 0.749 that their employer gives equal opportunities for career development. In addition, the respondents agreed with a mean 4.495 and a standard deviation of 0.857 that their employer offers career advancement opportunities.

According to suggestions from (Taylor, 2002; Gaffney, 2005; Chhabra & Mishra, 2008), people normally reside longer where they experience individual and career growth and development. Also, based on Porter and Steers' (1973) research, development opportunities are expected to increase retention rate as employees who feel they are fairly compensated for the work done are more contented (Hausknecht et al., 2009). Further, the respondents indicated that both the internal and external staff trainings were required in the hotels. More specifically, the management should train staff on firefighting skills, first aid skills and life savings at the pool and beach. These findings agree with Deloitte and Touche, (2009), who put across that the nature of career and development within the organization in terms of its accessibility, applicability to employees' present and potential job responsibilities and the series of career progression opportunities available is used to develop particular skills and improve performance issues which empower employees with desired skills for existing and upcoming employment requirements. Employees to handle the career development programme, time spent on skills acquisition, resources to be used and facilitation of the training itself could affect the impact of the exercise on the individual (Snell & Bohlander, 2007).

If the employee does not receive the expected benefit from the training he/she will be dissatisfied. Most employees view training as a symbol of their employer's commitment to them, if this need is not fulfilled, such employee may not see the need to remain with the organisation even if further training is promised. Formal and informal training and development opportunities should equip employees with the skills and knowledge they need for future career advancement. Although managers should be held accountable for the development of their employees, employees should be encouraged and empowered to take control of their own growth and

development within the organisation by means of regular performance and development discussions (Chang et al., 2013; Döckel et al., 2006).

Dockel *et al.* (2006) observed that employees seem to grow a sense of responsibility (normative commitment) and stay longer in an organisation that promotes career opportunity through learning and the ability to apply newly acquired competencies. Career growth and progression helps organizations avoid the dangers of obsolete, undesirable employees. This is in line with Mapelu and Jumah, (2013) recommendations that training was an important tool that could be used by hotels to build a more committed and productive workforce. Hotels also need to combine training and other human resource strategies to improve commitment. The study established the management of the hotels should consider organizing for team buildings. Also, the respondents suggested that the management of the hotels should improve on security gadgets and systems and should offer enough knowledge on security operations.

Table 4.5: Career Development

	SD	D	N	A	SA	Mean	Std.
						Deviation	
	%	%	%	%	%		
My employer offers career development opportunities to all employees	1.7	2.6	4.3	40.2	51.3	4.367	.826
Skills development opportunities are available in our hotel	0.9	0.9	4.3	35.9	58.1	4.495	.702
Career growth opportunities are available in our hotel	0.9	0.9	2.6	36.8	59.0	4.521	.677
My employers offers all the employees career advancement opportunities	1.7	3.4	3.4	26.5	65.0	4.495	.857
My employer gives equal opportunities for career development	0.9	1.7	5.1	33.3	59.0	4.478	.749

4.5.2 Findings on the Influence of Job Promotion on Employee Retention

This section discusses the findings of the influence of job promotion on employee retention in the hotel industry in Kenya. The results in table 4.6 indicate that the respondents strongly agreed with a mean of 4.692 and a standard deviation of 0.579 that job promotion gives rise change of positions. The respondents also agreed with a mean of 4.564 and a standard deviation of 0.634 that job promotion comes with increase in responsibilities. The respondents further agreed with a mean of 4.589 and a standard deviation of 0.732 that job promotion increases employee ability. In addition, the respondents strongly agreed with a mean of 4.555 and a standard deviation of 0.700 that employee skills increase with job promotion. Further, the respondents agreed with a mean of 4.376 and a standard deviation of 0.795 that job promotion allows change of facilitates. In the hotel industry, experience is considered more important than educational qualification, thus candidates often started from entry-level positions despite having higher qualifications and were promoted based on their performance (Ahmad & Zainol, 2011).

The respondents suggested that the managements should reward and promote employees of the month, if you win two times. In addition, the respondents suggested that promotion should be given on merit and should be accompanied by rise in salary and allowances. These findings align with Mulera (2012) argument that although limited top management positions hinder upward mobility in organizations, job promotion can be one by raising salaries and allowances. Another form of developing employees is offering promotion opportunities. Literature suggests (Gaffney, 2005; Chabbra & Mishra, 2008) that individuals tend to stay longer where they experience personal and professional growth. This is based on Porter and Steers (1973) work which suggests that advancement opportunities are likely to enhance retention as people will stay if 27 they feel they are rewarded fairly for the work done.

Further, these findings concur with those of Kipkebut (2010) in a study on organizational commitment and job satisfaction of employees in universities in Kenya established that role conflict, promotional opportunities, and age were some

of the factors that influenced employee intention to quit the university. Also, the respondents indicated that hotel management should also promote and reward talent. Further, the respondents felt that hardworking casual laborers should not be left out in the promotions. Some respondents felt that there was too much discrimination in their hotels favoring the ladies and hence they suggested that promotions should be given without discrimination.

Table 4.6: Job Promotion

	SD	D	N	A	SA	Mean	Std.
	%	%	%	%	%		Deviation
Job promotion comes with increase in responsibilities	0	1.7	2.6	33.3	62.4	4.564	0.634
Employee skills increases with job promotion	0	1.7	6.8	25.6	65.8	4.555	0.700
Job promotion increases employee ability	0.9	1.7	4.3	23.9	69.2	4.589	0.732
Job promotion allows change of facilitates	0	1.7	14.5	28.2	55.6	4.376	0.795
Job promotion gives rise change of positions	0	1.7	0.9	23.9	73.5	4.692	0.579

4.5.3 Findings on the Influence of Remuneration on Employee Retention

This section discusses the findings on the influence of remuneration on employee retention in the hotel industry in Kenya. The results in table 4.7; reveal that the respondents agreed with a mean of 3.863 and a standard deviation of 0.918, that, their employers provide them with performance bonuses. The respondents also agreed with a mean of 3.897 and a standard deviation of 0.959 that their compensation matches with other hotels compensations. The respondents further

agreed with a mean of 3.735 and a standard deviation of 0.986 that their employers offer payment for working overtime and holidays.

These findings agree with Msengeti and Obwogi (2015) findings that the amount of pay that the staff received for their jobs was about equal to others doing similar work in other hotels. In addition, the respondents agreed with a mean of 3.615 and a standard deviation of 1.040 that their employers offer salaries that match the work. The findings are also in line with Wambugu and Ombui (2013) findings that the salaries the staff received were fair for their responsibilities.

However, the respondents were neutral on whether 'Wages in their hotels were enough to meet employee needs', as shown by a mean of 3.034 and a standard deviation of 0.850. The respondents indicated that the managements of the hotel industry should review their remuneration structure to consider the current high cost of living. This is consistent to Chew and Chan's (2008), that employees' perception toward the benefits they received has a strong predicting role on employee intention to stay. In other words, money can influence employees' behavior and ensures long-term employment. Fair reward and remuneration practices must be established in order to enhance employees' affective and normative commitment. Remuneration packages should match job roles and responsibilities, be linked to performance and be perceived to be market-related (Brundage & Koziel, 2010; Chang *et al.*, 2013; Zaitouni *et al.*, 2011). Interesting and challenging work that taps into the talents and abilities of employees also assists in enhancing job satisfaction and affective commitment (Döckel, 2003; Van Dyk & Coetzee, 2012).

Previous research has shown that rewards for quality efforts appear to positively influence employee morale and satisfaction (Martins & Coetzee, 2007). Research by Zaitouni *et al.* (2011) suggests that employees who are provided with benefits, such as increased salary, bonuses and promotion, develop strong feelings of loyalty to the organisation. Perceptions of fair rewards and justice lead to higher levels of satisfaction and long-term commitment to the organisation. These recommendations are supported by Msengeti and Obwogi (2015), who had earlier recommend that for

companies to remain competitive in the hotel industry, employers in the industry also need to re-evaluate the current weaknesses associated with pay.

Table 4.7: Remuneration

	SD	D	N	A	SA	Mean	Std. Deviation
	%	%	%	%	%		
My employer offers salaries that matches the work	2.6	9.4	36.8	26.5	24.8	3.615	1.040
Wages in our hotel are enough to meet employee needs	2.6	17.9	61.5	9.4	8.5	3.034	0.850
My employer offers payment for working overtime and holidays	2.6	7.7	26.5	40.2	23.1	3.735	0.986
My employer provides us with performance bonuses	2.6	4.3	21.4	47.9	23.9	3.863	0.918
My compensation matches with other hotels compensations	1.7	6.8	20.5	41.9	29.1	3.897	0.959

4.5.4 Findings on the Influence of Employee Recognition on Employee Retention

This section discusses the findings of the influence of employee recognition on employee retention in the hotel industry in Kenya. The results in table 4.8; indicate that the respondents agreed with a mean of 4.427 and a standard deviation of 0.710 that employee recognition in their hotels is accompanied with some rewards. The respondents also agreed with a mean of 4.427 and a standard deviation of 0.769 that their employers offer appreciation for the job well done. The respondents further agreed with a mean of 4.367 and a standard deviation of 0.867 that their employers provide opportunities to get high positions. These findings agree with Msengeti and Obwogi (2015) that the hotels were giving good recognition for satisfactory work and there were adequate opportunities to use their personal talents and use their

initiatives. Further, the respondents agreed with a mean of 4.359 and a standard deviation of 0.865 that employee recognition in their hotels comes with increase in responsibility. In addition, the respondents agree with a mean of 4.085 and a standard deviation of 1.071 that their employers involve them in decision making. Recognition refers to the extent to which employees perceive recognition (e.g. promotions, verbal recognition, awards) to be effective and fairly implemented within the organisation. These findings are in line with Zaitouni, Sawalha and Sharif (2011), monetary compensation is important, but not sufficient to retain employees. Recognition in the form of non-monetary elements (e.g. verbal recognition and positive feedback) is also important. Paré and Tremblay (2007) indicate that recognition from managers and peers has been found to be related to affective and continuance commitment.

From the findings, the respondents suggested that the management of the hotels should enhance recognition through employees of the month or of the year recognition. In addition, the respondents suggested that recognition should go in hand with a good gain in finance and not just certificates and trophies. Further, the respondents suggested that the management should entail other skills or talents of employees and recognize them. For instance, sports music, drama activities.

Table 4.8: Employee Recognition

	SD	D	N	A	SA	Mean	Std.
	%	%	%	%	%		Deviation
My employer offers appreciation for the job well done	0	3.4	6.8	33.3	56.4	4.427	0.769
My employer involves us in decision making	2.6	6.8	17.1	26.5	47	4.085	1.071
Employee recognition comes with increase in responsibility	0	6	7.7	30.8	55.6	4.359	0.865
My employer provides opportunities to get high positions	0.9	4.3	7.7	31.6	55.6	4.367	0.867
Employee recognition is accompanied with some rewards	0	2.6	5.1	39.3	53	4.427	0.710

4.5.5 Findings on Employee Retention in the Hotel Industry

This section discusses the findings on employee retention in the hotel industry in Kenya. The results in table 4.9 indicate that; the respondents agreed with a mean of 3.726 and a standard deviation of 0.906 that their employers encourage staff to work longer in the hotel. However, the respondents were neutral on the statement indicating that staff retrenchment takes place every year in their hotels, as shown by a mean of 2.812 and a standard deviation of 0.718. In addition, the respondents were neutral on the statement that staff redundancy takes place every year in their hotels as a shown by a mean of 2.846 and a standard deviation of 0.847. Further, the respondents were neutral on the statement indicating that some staffs leave their hotels voluntarily as indicated by a mean of 3.076 and a standard deviation of 0.842. Also, the respondents were neutral on the statement indicating that many staffs leave their hotel involuntarily as shown by a mean of 3.000 and a standard deviation of 0.900. A survey carried out by (Laff, 2006) revealed that 51 percent of respondents expected to make a job transition in five years or less. In this continually changing global economy, business needs to understand and utilize key concepts concerning employee retention.

These results are consistent with (Nedd, 2006) that factors associated with the employee's intention to stay are also important to the management in order to develop strategies that may facilitate the intention of employees to stay in the same organization. Presently, there is fierce competition to secure competent human resources. Greater employment fluidity enhanced by opportunities to change jobs has further intensified the competition for securing and retaining capable, high-performing employees who will become the future key employees of organisations (Yamamoto, 2011). Therefore the challenge for most organisations today is to formulate effective employee retention strategies that will enable organisations to retain employees they consider critical to the attainment of company goals (Chiboiwa, Samuel & Chipunza, 2010). While retaining employees has several benefits, research has shown that turnover or losing critical employees is costly to organisations.

Table 4.9: Employee Retention

	SD	D	N	A	SA	Mean	Std. Deviation
	%	%	%	%	%		
My employer encourages staff to work longer in the hotel	0.9	4.3	40.2	30.8	23.9	3.726	0.906
Staff retrenchment takes place every year	4.3	22.2	63.2	8.5	1.7	2.812	0.718
Some staff leave the hotel voluntarily	1.7	20.5	52.1	19.7	6	3.076	0.842
Many staff leave the hotel involuntarily	3.4	23.1	50.4	16.2	6.8	3.000	0.9
Staff redundancy takes place every year in the hotel	5.1	24.8	54.7	11.1	4.3	2.846	0.847

Annual Employee Retention

From the results of the findings in table 4.10; the average number of employees in the hotel industry at the beginning of the year 2015 was 193 per hotel, but at the end of the year in 2015 the hotel industry had an average 188 employees per hotel. In addition, an average of 5 staff left the hotels involuntarily in 2015 while an average of 4 staff left the hotel voluntarily in 2015. This shows that an average of 10 staff in every hotel had left their hotels in the year 2015.

Employee retention refers to the ability of an organization to retain its employees. Employee retention rate is obtained by dividing the number of employees that remain in an organization at the end of the year with the total number of employees.

$$ANT = \frac{NOR}{NEOY} \times 100$$

However, Number of employees that remain will be considered to be total number of the staff at the beginning of the year we subtract the sum of number of employees

who left the hotel involuntarily in 2015 and number of employees who left the hotel voluntarily in 2015.

$$NOR = NEI + NEV$$

Where,

ANT=Annual employee retention in the hotel industry in Kenya

NOR=Number of employees that remain

NEOY=Average number employed over year

NEI=Number of employees who left the hotel involuntarily in 2015

NEV=Number of employees who left the hotel voluntarily in 2015

Therefore,

$$ANT = \frac{193 - (5.79 + 4.40)}{191} \times 100$$

$$ANT = \frac{193 - (5.79 + 4.40)}{191} \times 100$$

$$ANT = 95.71 \text{ percent}$$

Although the annual retention rate in the hotel industry was high (95.71%), on average the number of staff in the hotel industry had reduced by 1.45%.

Table 4.10: Employee Retention Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Number of employees in the hotel at the beginning of the year 2015	109	20	915	193.39	181.477
Number of employees at the end of the year in 2015	116	15	887	188.66	177.776
Number of employees who left the hotel involuntarily in 2015	29	0	20	5.79	5.728
Number of employees who left the hotel voluntarily in 2015	30	0	11	4.40	2.774

4.6 Inferential Statistics

This section presents findings on Shapiro-Wilk test for normality, correlation analysis, regression analysis per independent variable and multivariate regression analysis.

4.6.1 Shapiro-Wilk Test of Normality

Multiple regression analysis assumes that variables have normal distributions. Non-normally distributed variables can distort relationships and significance tests. In this study normal distribution of data was tested by use of Shapiro Wilk Test. The Shapiro-Wilk test is based on the correlation between the data and the corresponding normal scores (Peat & Barton, 2005) Provides better power than the K-S test even after the Lilliefors correction (Steinskog, 2007). Power is the most frequent measure of the value of a test for normality, the ability to detect whether a sample comes from a non-normal distribution. The results in table 4.11 show that employee retention (p-value = 0.235) was normally distributed. This shows that the dependent variable was normally distributed.

Table 4.11: Shapiro-Wilk Test

	Statistic	df	Sig.
Employee retention	.836	116	.235

4.6.2 Correlations Analysis

The correlation coefficient is a measure of linear association between two variables. Values of correlation coefficients range from -1 to +1 representing perfect negative and positive correlation (Landau & Everitt, 2004). A correlation coefficient of +1 indicates that two variables are perfectly related in a positive linear sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative linear sense, and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A correlation coefficient of between 0.0 and 0.19 is considered to be “very weak”, between 0.20 and 0.39 is considered to be “weak”, between 0.40 and 0.59 is considered to be “moderate”, between 0.60 and 0.79 is considered to be “strong” and between 0.80 and 1.0 is considered to be “very strong”.

The study carried out correlation analysis between the variables of the study using Pearson product-moment correlation coefficient. Correlation Coefficient was used to test whether there existed interdependency between independent variables and also whether the independent variables were related to the dependent variable, employee retention. The results in table 4.12 show that all the independent variables had a positive and significant correlation with employee retention. Career development ($r=0.553$, $p\text{-value}=0.000$), remuneration ($r=0.519$, $p\text{-value}=0.000$), job promotion ($r=0.547$, $p\text{-value}=0.000$) and employee recognition ($r=0.591$, $p\text{-value}=0.000$) had a positive and significant relationship with employee retention. The findings concur with Mapelu and Jumah (2013) argument that employee career development has significant negative influence employee turnover in selected medium sized hotels in Kisumu Kenya. The findings also agree Wambugu and Ombui (2013) findings that better remuneration had a significant influence on employee performance and retention at Kabete Technical Training Institute, Nairobi. These findings further concur with Johnston *et al.* (2004) findings that job promotion had a significant

influence on employee retention. These findings agree with Bartłomiejczuk (2015) findings that while recognition is not new, it is finally becoming more strategic as programs align recognition with business objectives and desired behaviors. Bartłomiejczuk (2015) found that employee recognition was positively related to employee engagement: 41% of the variation in employee engagement is attributable to the strength of recognition an employee receives.

Table 4.12: Correlation Coefficient of Reward Practices and Employee Retention

		Employee retention	Career development	Remuneration	Job promotion	Employee recognition
Employee retention	Pearson Correlation	1				
	Sig.(2-tailed)					
Career development	Pearson Correlation	.553**	1			
	Sig.(2-tailed)	.000				
Remuneration	Pearson Correlation	.519**	.221	1		
	Sig.(2-tailed)	.000	.056			
Job promotion	Pearson Correlation	.547**	.109	.121	1	
	Sig.(2-tailed)	.000	.072	.093		
Employee recognition	Pearson Correlation	.591**	.092	.109	.221	1
	Sig.(2-tailed)	.000	.218	.072	.056	

4.6.3 Regression Analysis per Independent Variable

In this section, regression analysis for each independent variable and the depended variable has been conducted. The aim of this analysis is to identify those variables simultaneously associated with a dependent variable and to estimate the separate and distinct influence of each variable on the dependent variable. This will then be followed by the multiple regression analysis for all the independent variables and the dependent variable. The R-Squared is the variance proportion in the dependent variable that can be explained by the independent variable: the larger the R-squared the larger the effect of the independent variable on the dependent variable.

The R Square can range from 0.000 to 1.000, with 1.000 showing a perfect fit that indicates that each point is on the line. The analysis of variance is used to determine whether the regression model is a good fit for the data. It also gives the F-test statistics; the linear regression's F-test has the null hypothesis that there is no linear relationship between the two variables. The coefficients or beta weights for each variable allows the study to compare the relative importance of each independent variable. In this study the unstandardized coefficients and standardized coefficients are given for the multiple regression equations. However discussions are based on the unstandardized coefficients.

(i) Career Development and Employee Retention

The R-squared for the relationship between career development and employee retention was 0.306 as indicated in table 4.13, which shows that career development can explain 30.6% of the dependent variable variation. The R square value is an important indicator of the predictive accuracy of the equation. The remaining 69.4 % can be explained by other factors in relation to employee retention in the hotel industry. The implication of these findings is that career development plays a significant role in enhancing employee retention.

Table 4.13: Model Summary for Career Development and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate
.553	.306	.300	.33772

(ii) ANOVA for Career Development and Employee Retention

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is shown in the below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting the effect of career development on employee retention in Kenya. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The Anova results in table 4.14 indicate that F-critical (1, 115) was 3.92 while the F-calculated was 50.617. This shows that F-calculated was greater than the F-critical hence there is a positive significant linear relationship between the career development and employee retention. This implies that when there is an increase in career development there is a significant increase in employee retention. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model predicting the positive and significant influence of career development on employee retention.

Table 4.14: ANOVA for Career Development and Employee Retention

	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.773	1	5.773	50.617	.000
Residual	13.117	115	.114		
Total	18.890	116			

(iii)Regression Coefficients for Career Development and Employee Retention

Using the unstandardized coefficients the following equation applies:

$$Y = 2.544 + 0.357X_1$$

As shown in table 4.15, employee retention had an index of 2.544 when career development (X_1) was held constant. The Beta coefficient (β_1) was 0.357. This implies that a unit increase in career development would lead to a 0.328 increase in employee retention. The relationship is significant as the P-value (0.000) was less than the significance level (0.05). In addition, the t-calculated (7.115) was greater than the t-critical value (1.645). The alternative hypothesis was accepted and therefore concluded that “there is a positive significant relationship between career development and employee retention in the hotel industry in Kenya”.

This means that career development has a positive influence on employee retention, which is the opposite of employee turnover. These findings concur with Sangaran and Jeetesh (2015) results that career development had a positive and significant influence on job satisfaction and employee retention in the four and five star hotels in Kuala Lumpur. This is established by previous studies such as Day (2007), Cedefop (2008), Right Management (2009), SHRM (2012) and Merchant (2013) that career development had a positive and significant relationship with employee retention.

The finding coincides with the study by Chitalu (2011), whose finding showed that one of the key factors of retaining talented employee is through training and career development opportunities. In addition, Waleed (2011) research also concluded that proper training and career development have a positive relationship to employee retention as it makes the employees feel that the organization recognize their strength and creates opportunity to further develop their qualities. This is consistent with the findings of Meathfield (2008), that career development opportunities have a significant influence on employee retention. Nyanjom (2013) study also ranked career development as the most important factors that influencing employee

retention. The study therefore concludes that there is a significant positive influence of career development and employees retention.

These employees are motivated to train themselves in order to enhance their career opportunities and develop themselves (Meathfield, 2008). Pritchard (2007) also advise that institutions must offer career advancement opportunities to retain employees. This causes employees to be motivated and be retained in the organization. The implication of these findings is that players in the hotel industry in Kenya should address career development opportunities in order to enhance employee retention.

Table 4.15: Regression Coefficients for Career Development and Employee Retention

	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	β	Std. Error	Beta		
(Constant)	2.544	.227		11.201	.000
Career development	.357	.050	.553	7.115	.000

(iv) Job Promotion and Employee Retention

The model summary for the linear regression analysis between job promotion (X_2) and employee retention indicated an R-squared of 0.299 as shown in table 4.16. This shows that job promotion (X_2) can explain a variation of 29.9% of the dependent variable (employee retention). The R square value is an important indicator of the predictive accuracy of the equation. The remaining 70.1 % can be explained by other factors in relation to employee retention in the hotel industry. The implication of these finding is that job promotion plays a significant role in enhancing employee retention.

Table 4.16: Model Summary for Job Promotion and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate
.547	.299	.293	.33938

(v) ANOVA for Job Promotion and Employee Retention

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is shown in the below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting the effect of job promotion on employee retention in Kenya. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. From the analysis of variance indicated in table 4.17, F-calculated was 49.009, which was more than the F-critical (1, 115) which was 3.92. This shows that there was a linear positive significant relationship between job promotion (X_2) and employee retention. This implies that when there is an increase in job promotion there is a significant increase in employee retention. Further, the p-value (0.000) was less than the significance level (0.05). This confirms goodness of fit of the model in predicting how job promotion (X_2) influences employee retention.

Table 4.17: ANOVA for Job Promotion and Employee Retention

	Sum of Squares	df	Mean Square	F	Sig.
Regression	5.645	1	5.645	49.009	.000
Residual	13.245	115	.115		
Total	18.890	116			

(vi) Regression Coefficients for Job Promotion and Employee Retention

Using the unstandardized coefficients the following equation applies:

$$Y = 2.415 + 0.381X_2$$

As shown in table 4.18, the constant was 2.415. This shows that holding job promotion constant, employee retention will be having an index of 2.415. The beta coefficient (β_2) was 0.381, which means that a unit increase in job promotion would lead to a 0.381 increase in employee retention in hotels. In addition, t calculated (7.001) is greater than the t critical (1.645), the p -value (0.000) was less than the significance level (0.05). Hence the alternative hypothesis was accepted and therefore concluded that “job promotion has a positive significant influence on employee retention in the hotel industry in Kenya”.

These results correspond with Noori and Khan and Naseem (2015) findings that job promotion and job advancement have positive relationship with job fulfillment and employee retention. The implication of these findings is that players in the hotel industry in Kenya should address job promotion in order to enhance employee retention. These results are contrary to Mulera (2012) findings that job promotion had no significant influence on job contentment and employee retention. This was attributed to limited top management positions, which hinder upward mobility in Kenya port authority. Promotion has a positive and significant influence on employee retention and these findings are related with previous studies of Owusu (2012). Gaiduk and Gaiduk (2009) reiterated that previous studies have found that employee intentions to remain with an organization are influenced by three major groups of variables which are employee personal characteristics such as gender, age, position level; the nature of an employee’s current job; and adequate working arrangements including such aspects as the quality of current supervision, opportunities for promotion, available training, and quality of communication within the organization.

Table 4.18: Regression Coefficients for Job Promotion and Employee Retention

	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	β	Std. Error	Beta		
(Constant)	2.415	.249		9.694	.000
Job promotion	.381	.054	.547	7.001	.000

(vii) Remuneration and Employee Retention

The results in table 4.19 show the relationship between remuneration (X_2) and employee retention, R-squared was 0.270. This shows that remuneration (X_3) can explain about 27% of the dependent variable (employee retention) variation. The R square value is an important indicator of the predictive accuracy of the equation. The remaining 73% can be explained by other factors in relation to employee retention in the hotel industry. The implication of these findings is that remuneration plays a significant role in enhancing employee retention.

Table 4.19: Model Summary for Remuneration and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate
.519	.270	.263	.34635

(viii) ANOVA for Remuneration and Employee Retention

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is shown in the below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting the effect of remuneration on employee retention in Kenya. Basing the confidence level at 95%

the analysis indicates high reliability of the results obtained. The Anova results shown in table 4.20 reveal that, the F-critical (1, 115) was 3.92 while the F-calculated was 42.470. This shows that the F-calculated was greater than the F-critical and hence a linear positive significant relationship existed between remuneration (X_3) and employee retention. This implies that when there is an increase in remuneration there is a significant increase in employee retention. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model in predicting the influence of remuneration (X_3) on employee retention.

Table 4.20: ANOVA for Remuneration and Employee Retention

	Sum Squares	of df	Mean Square	F	Sig.
Regression	5.095	1	5.095	42.470	.000
Residual	13.795	115	.120		
Total	18.890	116			

(ix)Regression Coefficients for Remuneration and Employee Retention

Using the unstandardized coefficients the following equation applies:

$$Y = 2.835 + 0.328X_3$$

The results in table 4.21 indicate that when remuneration is held constant, employee retention will be having an index of 2.835. The beta coefficient (β_3) was 0.328, which shows that a unit increase in remuneration (X_3) would lead to a 0.328 increase in employee retention. The t calculated (6.517) is greater than the t critical (1.645). In addition, the p-value (0.000) was less than the significance level (0.05). The alternative hypothesis was accepted and therefore concluded that “remuneration has a positive significant influence on employee retention in the hotel industry in Kenya.” Regression findings of Tizazu (2015), revealed that salary has a positive and

significant effect on employee retention with a beta value ($\beta = 0.156$), at 99% confidence level ($p < 0.01$). The result compares with previous studies by Chew and Chan (2008) and Hong, Hao, Kumar, Ramendran and Kadiresan (2012) who found out that fair remuneration reduces employee turnover and increases retention. While Chew and Chan, (2008) engaged a Structural Equation Model to establish that remuneration positively predicted organisational loyalty and intention to stay on a job; Hong, Hao, Kumar, Ramendran and Kadiresan, (2012) used regression analysis and found out that, there is a significantly positive relationship between compensation and retention.

The results are also supported by Kimunge (2014), who indicate that compensation was a key determinant of employee retention in Kenya Vision 2030 Delivery Secretariat. However, these results are contrary to Msengeti and Obwogi (2015) findings that salary had a feeble effect on employee retention. The result is in line with the assertion of Deloitte Development (2005) that an attractive salary package plays a critical role in retaining employees. Alkandari and Hammad (2009) studied employees retention in private sector in an exploratory study in the state of Kuwait. The result of their study showed that reward factors such as salary and compensation were rated as most important to the private sector workforce in the state of Kuwait followed by leave benefits and differed compensation. They explained that the three strategies rated most fundamental to private sector employees are rewards and recognition, annual performance appraisal and career development opportunities. Thus, people want to work for companies that offer fair compensation, including competitive wages and benefits, as well as learning opportunities. The amount of salary one would earn was not an independent factor to determine employees' retention. The implication of these findings is that players in the hotel industry in Kenya should address remuneration issues in order to enhance employee retention.

Table 4.21: Regression Coefficients for Remuneration and Employee Retention

	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	β	Std. Error	Beta		
(Constant)	2.835	.204		13.932	.000
Remuneration	.328	.050	.519	6.517	.000

(x) Employee Recognition and Employee Retention

The results in table 4.22 reveal that, the R-squared for the relationship between employee recognition (X_4) and employee retention was 0.344, which shows that employee recognition can explain 34.4% of the dependent variable (employee retention) variation. The R square value is an important indicator of the predictive accuracy of the equation. The remaining 65.6% can be explained by other factors in relation to employee retention in the hotel industry. The implication of these findings is that employee recognition plays a significant role in enhancing employee retention.

Table 4.22: Model Summary for Employee Recognition and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate
.591	.350	.344	.32684

(xi) ANOVA for Employee Recognition and Employee Retention

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model is shown in the below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting the effect of employee

recognition on employee retention in Kenya. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The Anova results shown in table 4.23 depict that; the F-critical (1, 115) was 3.92 while the F-calculated was 61.835. This shows that F-calculated was greater than the F-critical and hence there is a linear relationship between the two variables (employee recognition and employee retention). This implies that when there is an increase in employee recognition there is a significant increase in employee retention. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model in predicting the influence of employee recognition (X_4) on employee retention.

Table 4.23: ANOVA for Employee Recognition and Employee Retention

	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.605	1	6.605	61.835	.000
Residual	12.285	115	.107		
Total	18.890	116			

(xii) Regression Coefficients for Employee Recognition and Employee Retention

Using the unstandardized coefficients the following equation applies:

$$Y = 2.395 + 0.397X_4$$

The results in table 4.24 indicate that employee retention will be having an index of 2.395 when employee recognition (X_4) is held constant. In addition, the Beta coefficient (β_4) was 0.397. This shows that a unit increase in employee recognition (X_4) would lead to a 0.397 increase in employee retention. In addition, the t calculated (7.864) is greater than the t critical (1.645), the relationship is significant as the P-value (0.000) was less than the significance level (0.05). Therefore the

alternative hypothesis was accepted and concluded that “there is a positive significant relationship between employee recognition and employee retention in the hotel industry in Kenya”.

In the study of Tizazu (2015), recognition has a positive and significant effect on employee retention with a beta value (beta = 0.243), at 99% confidence level (p < 0.01) These findings concur with previous studies that also confirm a positive and significant relationship between recognition and employee retention (Fogleman & McCorkle, 2013; Saeed *et al.*, 2013; Ahmed & Ahmed , 2014; Edirisooriya, 2014). The findings agree with Schouten (2006) argument that recognition and praise consistently correlate with higher retention, higher customer contentment, higher efficiency, and higher income. The implication of these findings is that players in the hotel industry in Kenya should enhance employee recognition in order to achieve employee retention.

Table 4.24: Regression Coefficients for Employee Recognition and Employee Retention

	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	β	Std. Error	Beta		
(Constant)	2.395	.225		10.662	.000
Employee recognition	.397	.050	.591	7.864	.000

4.6.4 Multiple Regression Analysis

(i) Model Summary for Reward Management Practices and Employee Retention

As shown in table 4.25, R-squared for the relationship between reward management practices (career development, job promotion, remuneration and employee recognition) and employee retention was 0.993. This shows that the four independent

variables used in this study can explain 99.3% of the dependent variable (employee retention) variation. Individually, career development, job promotion, remuneration and employee recognition could explain 30.6%, 27%, 29.9% and 34.4% of employee retention respectively. The Durbin-Watson (d) was 1.833. The acceptable Durbin Watson range is between 1.5 and 2.5 (Bakon & Hassan, 2013). A rule of thumb is that test statistic values in the range of 1.5 and 2.5 are relatively normal. Field (2009) suggests that values under 1 or more than 3 are a definite cause of concern. In this data analysis Durbin Watson value is 1.833, which is between the acceptable ranges, it shows that there were no auto correlation problems.

Table 4.25: Model Summary for Reward Management Practices and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.996	.993	.993	.35818	1.833

(ii) ANOVA for Reward Management Practices and Employee Retention

The results in table 4.26 show that F-critical (4, 113) was 2.45, while the F-calculated was 3926.184. This shows that the F-calculated was greater than the F-critical and hence a linear relationship existed between reward management practices (career development, job promotion, and remuneration and employee recognition) and employee retention. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model in predicting the influence of the four reward management practices (career development, job promotion, and remuneration and employee recognition) on employee retention.

Table 4.26: ANOVA for Reward Management Practices and Employee Retention

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2014.862	4	503.716	3926.184	.000
Residual	14.498	113	.128		
Total	2029.360	116			

(iii) Regression Coefficients for Reward Management Practices and Employee Retention

Multicollinearity is a statistical fact in which two or more independent variables in a multiple regression model are extremely correlated Kothari (2004), meaning that one can be linearly predicted from the others with a non-trivial degree of accuracy. It is an detrimental situation where the correlations among the independent variables are strong, and this increases the standard errors of the coefficients. To help determine multicollinearity, Variance Inflation Factor (VIF) was used, which measures multicollinearity in the regression model.

The general rule of thumb is that VIF exceeding 4 warrant further investigations, if there are two or more variables that will have a VIF around or greater than 5, one of these variables must be removed from the regression model. However, a recommended maximum VIF value of 5 (Rogerson, 2001) and even 4 (Pan & Jackson, 2008) can be found in the literature. The VIF values found in table 4.27 show that, there was no multicollinearity among the independent variables, since all the values are below 5. This implies that the results of the multiple regression equation are not misleading, since the independent variables in the multiple regression equation are not highly correlated among themselves.

Using the unstandardized coefficients the following equation applies:

$$Y = 0.219X_1 + 0.211X_2 + 0.247X_3 + 0.267X_4$$

The results in table 4.27, show that the relationship between career development and employee retention had a coefficient (β_1) of 0.219 (p-value=0.002). The t calculated (3.129) is greater than the t critical (1.645) and hence the association is significant. This shows that a unit increase in career development would lead to a 0.219 increase in employee retention in the hotel industry in Kenya. In addition, the association between remuneration and employee retention had a regression coefficient of 0.211 (p-value=0.001). The t calculated (3.423) is greater than the t critical (1.645) and hence the association is significant. This shows that a unit increase in remuneration would lead to a 0.211 increase in employee retention.

Further, the results in table 4.27 show that the relationship between job promotion and employee retention had a coefficient of 0.247 (p-value=0.002). The t calculated (3.202) is greater than the t critical (1.645) and hence the association is significant. This shows that a unit increase in job promotion would lead to 0.247 increase employee retention. The findings also indicate that the relationship between employee recognition and employee retention had a coefficient of 0.267 (p-value=0.001). The t calculated (3.456) is greater than the t critical (1.645) and hence the association is significant. This is a clear indication that a unit increase in employee recognition would lead to a 0.267 increase in employee retention. The relationship was statistically significant because the p-value (0.001) was less than the significance level (0.05). It is evident that the strongest predictor that influenced employee retention was employee recognition with a coefficient of (0.267), followed by job promotion with a coefficient of (0.247), then career development with a coefficient of (0.219) and the least was remuneration with a coefficient of (0.211).

Table 4.27: Regression Coefficients for Reward Management Practices and Employee Retention

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	β	Std. Error	Beta			Tolerance	VIF
Career development	.219	.070	.238	3.129	.002	.552	1.813
Job promotion	.247	.077	.271	3.202	.002	.437	1.863
Remuneration	.211	.062	.205	3.423	.001	.539	2.271
Employee recognition	.267	.077	.285	3.456	.001	.544	1.840

4.9.7 Moderating Effect of Hotel Rating

The moderating variable in this study was hotel classification. The study used multiple regressions analysis to establish the moderating effect of hotel classification (z) on relationship between independent and dependent variable.

The statistical model used for analysis was as follows:

$$Y = \beta_1 X_1 + \beta_2 Z + \beta_3 X_1 Z + \varepsilon$$

where:-

Y is the dependent variable, Employee retention in the hotel industry in Kenya.

β_1 - β_2 are the coefficient

X_1 = independent variable

Z is the hypothesized moderator (hotel rating)

β_z is the coefficient of $X_i * Z$ the interaction term between hotel rating and

each of the dependent variables

ε is the error term

(i) Hotel Rating Moderating Effect on Career Development and Employee Retention

The model summary for the linear regression analysis between hotel rating, career development and employee retention indicated an R-squared of 0.994 as shown in table 4.28. This shows that both hotel rating and career development can explain a variation of 99.4% of the dependent variable (employee retention).

Table 4.28: Model Summary for Hotel Rating, Career Development and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate
.997	.994	.994	.33140

(ii) ANOVA for Hotel Rating, Career Development and Employee Retention

The results in table 4.29 indicate that, the F-critical (3, 114) was 2.6802, while the F-calculated was 6.1213. This shows that the F-calculated was greater than the F-critical and hence a linear significant relationship exists between hotel rating, career development and employee retention. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model in predicting the influence of hotel rating and career development on employee retention.

Table 4.29: ANOVA for Hotel Rating, Career Development and Employee Retention

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2016.840	3	672.280	6.1213	.000
Residual	12.520	114	.110		
Total	2029.360	116			

(iii)Regression Coefficients for Hotel Rating, Career Development and Employee Retention

Using the unstandardized coefficients the following equation applies:

$$Y = 0.919X_1 + 0.719Z - 0.152X_1 * M$$

As shown in table 4.30, career development has a significant influence on employee retention as the beta coefficient (β_1) was 0.901 (p-value=0.000). In addition, hotel rating has a significant influence on employee retention as shown by a beta coefficient (β_2) was 0.649 (p-value=0.000). The interaction term between hotel rating and career development is significant implying that hotel rating has a significant moderating effect between career development and employee retention.

Table 4.30: Regression Coefficients for Hotel Rating, Career Development and Employee Retention

	Unstandardized Coefficients		Standardized Coefficients		Sig.
	β	Std. Error	Beta	t	
Career development	.901	.043	.980	20.972	.000
Hotel Rating	.649	.057	.681	11.314	.000
Hotel Rating*Career Development	.138	.014	.666	10.135	.000

(iv) Hotel Rating Moderating Effect on Job Promotion and Employee Retention

The model summary for the linear regression analysis between hotel rating, job promotion and employee retention indicated an R-squared of 0.994 as shown in table 4.31. This shows that both hotel rating and job promotion can explain a variation of 99.4% of the dependent variable (employee retention).

Table 4.31: Model Summary for Hotel Rating, Job Promotion and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate
.997	.994	.994	.33509

(v) ANOVA for Hotel Rating, Job Promotion and Employee Retention

The results in table 4.32 indicate that, F-critical (3, 114) was 2.6802, while the F-calculated was 5.9863. This shows that the F-calculated was greater than the F-critical and hence a linear significant relationship exists between hotel rating, job promotion and employee retention. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model in predicting the influence of hotel rating and job promotion on employee retention.

Table 4.32: ANOVA for Hotel Rating, Job Promotion and Employee Retention

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2016.559	3	672.186	5.9863	.000
Residual	12.801	114	.112		
Total	2029.360	116			

(vi) Regression Coefficients for Hotel Rating, Job Promotion and Employee Retention

Using the unstandardized coefficients the following equation applies:

$$Y = 0.874X_1 + 0.644Z + 0.132X_1 * M$$

As shown in table 4.33, job promotion has a significant influence on employee retention as the beta coefficient (β_1) was 0.874 (p-value=0.000). In addition, hotel rating has a significant influence on employee retention as shown by a beta coefficient (β_2) was 0.644 (p-value=0.000). The interaction term between hotel rating and job promotion is significant implying that hotel rating has a significant moderating effect between job promotion and employee retention.

Table 4.33: Regression Coefficients for Hotel Rating, Job Promotion and Employee Retention

	Unstandardized Coefficients		Standardized Coefficients		Sig.
	β	Std. Error	Beta	t	
Job promotion	.874	.042	.960	20.684	.000
Hotel Rating	.644	.065	.676	9.913	.000
Hotel Rating *Job promotion	.132	.015	.640	8.697	.000

(vii) Hotel Rating Moderating Effect on Remuneration and Employee Retention

The model summary for the linear regression analysis between hotel rating, remuneration and employee retention indicated an R-squared of 0.993 as shown in table 4.34. This shows that both hotel rating and remuneration can explain a variation of 99.3% of the dependent variable (employee retention).

Table 4.34: Model Summary for Hotel Rating, Remuneration and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate
.997	.993	.993	.34129

(viii) ANOVA for Hotel Rating, Remuneration and Employee Retention

The results in table 4.35 indicate that F-critical (3, 114) was 2.6802 while the F-calculated was 5.7693. This shows that the F-calculated was greater than the F-critical and hence a linear significant relationship exists between hotel rating, remuneration and employee retention. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model in predicting the influence of hotel rating and remuneration on employee retention.

Table 4.35: ANOVA for Hotel Rating, Remuneration and Employee Retention

	Sum of Squares	df	Mean Square F	Sig.	
Regression	2016.081	3	672.027	5.7693	.000
Residual	13.279	114	.116		
Total	2029.360	116			

(ix) Regression Coefficients for Hotel Rating, Remuneration and Employee Retention

Using the unstandardized coefficients the following equation applies:

$$Y = 0.919X_1 + 0.719Z - 0.152X_1 * M$$

As shown in table 4.36, remuneration has a significant influence on employee retention as the beta coefficient (β_1) was 0.919 (p-value=0.000). In addition, hotel rating has a significant influence on employee retention as shown by a beta coefficient (β_2) was 0.719 (p-value=0.000). The interaction term between hotel rating and remuneration is significant implying that hotel rating has a significant moderating effect between remuneration and employee retention.

Table 4.36: Regression Coefficients for Hotel Rating, Remuneration and Employee Retention

	Unstandardized Coefficients		Standardized Coefficients		
	β	Std. Error	Beta	t	Sig.
Remuneration	.919	.046	.892	19.921	.000
Hotel Rating	.719	.051	.755	14.212	.000
Hotel Rating*Remuneration	-.152	.016	-.648	-9.615	.000

(x) Hotel Rating Moderating Employee Recognition and Employee Retention

The model summary for the linear regression analysis between hotel rating, employee recognition and employee retention indicated an R-squared of 0.994 as shown in table 4.37. This shows that both hotel rating and career development can explain a variation of 99.4% of the dependent variable (employee retention).

Table 4.37: Model Summary for Hotel Rating, Employee Recognition and Employee Retention

R	R Square	Adjusted R Square	Std. Error of the Estimate
.997	.994	.994	.31448

(xi) ANOVA for Hotel Rating, Employee Recognition and Employee Retention

The results in table 4.38 indicate that F-critical (3, 114) was 2.6802, while the F-calculated was 6.8023. This shows that the F-calculated was greater than the F-critical and hence a linear significant relationship exists between hotel rating, employee recognition and employee retention. In addition, the p-value was 0.000, which was less than the significance level (0.05). This confirms goodness of fit of the model in predicting the influence of hotel rating and employee recognition on employee retention.

Table 4.38: ANOVA for Hotel Rating, Employee Recognition and Employee Retention

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2018.086	3	672.695	6.8023	.000
Residual	11.274	114	.099		
Total	2029.360	116			

(xii) Regression Coefficients for Hotel Rating, Employee Recognition and Employee Retention

Using the unstandardized coefficients the following equation applies:

$$Y = 0.885X_1 + 0.615Z + 0.126X_1 * M$$

As shown in table 4.39, employee recognition has a significant influence on employee retention as the beta coefficient (β_1) was 0.885 (p-value=0.000). In addition, hotel rating has a significant influence on employee retention as shown by a beta coefficient (β_2) was 0.615 (p-value=0.000). The interaction term between hotel rating and employee recognition is significant implying that hotel rating has a significant moderating effect between employee recognition and employee retention.

Table 4.39: Regression Coefficients for Hotel Rating, Employee Recognition and Employee Retention

	Unstandardized		Standardized		t	Sig.
	Coefficients		Coefficients			
	β	Std. Error	Beta			
Employee recognition	.885	.040	.946	22.131		.000
Hotel Rating	.615	.053	.645	11.528		.000
Hotel Rating*Employee recognition	.126	.014	-.593	9.015		.000

4.7 Summary of Hypothesis Testing Results

The results of hypothesis testing show that the four hypothesized relationships were all statistically significant meaning they all contributed immensely to employee retention.

H_{a1}: There is a positive significant relationship between career development and employee retention in the hotel industry in Kenya.

The Beta coefficient (β_1) was 0.357. The relationship is significant as the P-value (0.000) was less than the significance level (0.05), and also, the t-calculated (7.115)

was greater than the t-critical value (1.645). We accept the alternative hypothesis and therefore conclude that, “there is a positive significant relationship between career development and employee retention in the hotel industry in Kenya”. These findings concur with Sangaran and Jeetesh (2015) findings that career development had a positive and significant influence on job satisfaction and employee retention in the four and five star hotels in Kuala Lumpa.

H_{a2}: Job promotion has a positive significant influence on employee retention in the hotel industry in Kenya.

The beta coefficient (β_2) was 0.328; the p-value (0.000) was less than the significance level (0.05), while the t calculated (7.001) was greater than the t critical (1.645). We accept the alternative hypothesis and therefore conclude that, “job promotion has a positive significant influence on employee retention in the hotel industry in Kenya.” These findings concur with Noori and Khan and Naseem (2015) findings that job promotion and job advancement have positive relationship with job satisfaction and employee retention.

H_{a3}: Remuneration has a positive significant influence on employee retention in the hotel industry in Kenya.

The beta coefficient (β_3) was 0.381; the p-value (0.000) was less than the significance level (0.05). The t calculated (6.517) was greater than the t critical (1.645). We accept the alternative hypothesis and therefore conclude that, “remuneration has a positive significant influence on employee retention in the hotel industry in Kenya”. These findings are also supported by Kimunge (2014), who indicated that compensation was a key determinant of employee retention in Kenya Vision 2030 Delivery Secretariat. However, these findings are contrary to Msengeti and Obwogi (2015) findings that pay had a weak influence on employee retention.

H_{a4}: There is a positive significant relationship between employee recognition and employee retention in the hotel industry in Kenya.

The Beta coefficient (β_4) was 0.397. The relationship is significant as the P-value (0.000) was less than the significance level (0.05), and also, t calculated (7.864) was greater than the t critical (1.645). We accept the alternative hypothesis and therefore conclude that, “there is a positive significant relationship between employee recognition and employee retention in the hotel industry in Kenya”. These findings concur with previous studies that also confirm a positive and significant relationship between employee recognition and employee retention (Fogleman & McCorkle, 2013; Saeed *et al.*, 2013; Ahmed & Ahmed, 2014; Edirisooriya, 2014).

H_{a5}: The strength of the relationship between reward management practices and employee retention in the hotel industry in Kenya depends on hotel rating.

Career development had a significant influence on employee retention as the beta coefficient (β_1) was 0.901 (p-value=0.000). Hotel rating had a significant influence on employee retention as shown by a beta coefficient (β_2) was 0.649 (p-value=0.000). The interaction term between hotel rating and career development is significant implying that hotel rating has a significant moderating effect between career development and employee retention.

Job promotion had a significant influence on employee retention as the beta coefficient (β_1) was 0.874 (p-value=0.000). Hotel rating had a significant influence on employee retention as shown by a beta coefficient (β_2) was 0.644 (p-value=0.000). The interaction term between hotel rating and job promotion is significant implying that hotel rating has a significant moderating effect between job promotion and employee retention.

Remuneration had a significant influence on employee retention as the beta coefficient (β_1) was 0.919 (p-value=0.000). Hotel rating had a significant influence on employee retention as shown by a beta coefficient (β_2) was 0.719 (p-value=0.000). The interaction term between hotel rating and remuneration is

significant implying that hotel rating has a significant moderating effect between remuneration and employee retention.

Employee recognition had a significant influence on employee retention as the beta coefficient (β_1) was 0.885 (p-value=0.000). Hotel rating had a significant influence on employee retention as shown by a beta coefficient (β_2) was 0.615 (p-value=0.000). The interaction term between hotel rating and employee recognition is significant implying that hotel rating has a significant moderating effect between employee recognition and employee retention.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter comprises of three main sections that were guided by the specific objectives and study hypotheses. The first section is the summary of major findings, followed by conclusions, recommendations and suggestions for further research.

5.2 Summary of Major Findings

The purpose of this study was to examine the effect of reward management practices on employee retention in the hotel industry in Kenya. The specific objectives were; to determine how career development influences employee retention in the hotel industry in Kenya; to examine the effects of job promotion on employee retention in the hotel industry in Kenya; to establish how remuneration influence employee retention in the hotel industry in Kenya; to examine the effects of employee recognition on employee retention in the hotel industry in Kenya and to establish the moderating effect of hotel rating on the relationship between reward management practices and employee retention in the hotel industry in Kenya

The study used a descriptive survey design as it is appropriate when the objective is to determine the degree of the relatedness of the variables. This study made use of surveys as they are efficient in that many variables can be measured without substantially increasing the time or cost. In order to achieve the objectives of the study, the study utilized both quantitative and qualitative approaches. The target population was hotels registered with Hotelkeepers and Caterers Association in Kenya. The sample size of the study was obtained through Krejcie and Morgan formula. Simple random sampling was used to select human resources managers per hotel. This study collected data by use of questionnaires. The questionnaire was filled by the human resource managers both on the dependent and independent variable. A pilot test was conducted to test the reliability and validity of the research instrument. Reliability and internal consistency of the measurement items were tested using Cronbach's alpha. Data from the questionnaires was analyzed using descriptive

statistics and inferential statistics. All statistical analysis was conducted using Statistical Package for Social Sciences.

5.2.1 Effect of Career Development on Employee Retention

Generally, from the descriptive statistics, most of the human resource managers were satisfied with the career development in their hotels. They agreed that career growth opportunities and skills development opportunities were available in their hotel. In addition, human resource managers felt that their institutions gave equal opportunities for career development and that their employers offer career development and advancement opportunities to all employees.

From the correlation analysis, the study found that there is a positive correlation between career development and employee retention in the hotel industry in Kenya. The study also found that career development had a correlation with remuneration, job promotion and employee recognition. From both the regression analysis, the study also found that career development had a positive and significant influence on employee retention in the hotel industry in Kenya. The study also established that hotel rating moderates the effect of career development on employee retention in the hotel industry in Kenya

Career development and employee retention rides with a cluster of essential systems such as reward and recognition, learning and development, performance management, recruiting and induction. These systems are interconnected, and together they improve productivity, retention and performance. Effective implementation of career development initiative in any organization inevitably influences employee retention. When the two practices are linked together, organizations will be able to achieve an increase in productivity, decrease in recruitment and on boarding cost, increased roles and higher engagement level.

5.2.2 Effect of Job Promotion on Employee Retention

In the descriptive statistics, majority of the respondent indicated that job promotion gave rise to change of positions. In addition, most of the human resource managers

indicated that job promotion comes with increase in responsibilities and that job promotion increases employee ability. Most of the respondents indicated that employee skills increases with job promotion and that job promotion allows change of facilities. From the correlation analysis, the study found that there is a positive association between remuneration and employee retention in the hotel industry in Kenya. The study also found that remuneration is positively and significantly associated with career development, job promotion and employee recognition. The study also established that hotel rating moderates the effect of job promotion on employee retention in the hotel industry in Kenya.

Promotion can be reciprocated as a significant achievement in the life of employees. It promises and delivers more pay, responsibility, authority, independence and status. So, the opportunity for promotion determines the degree of satisfaction to the employee. When there are vacancies in an organization, they can be filled up by the internal or external candidates. Though the organization prefers to fill up the vacancies by the external candidates through the selection procedure, the internal candidates may also apply for positions and may be tested and selected for higher level job in the organizational hierarchy at par with external candidates.

5.2.3 Effect of Remuneration on Employee Retention

The descriptive statistics indicated that employers in the hotel industry provide their staff with performance bonuses. In addition, majority of the respondents indicated that their compensation matches with other hotels' compensations and that their employers offer payment for working overtime and holidays. However, a lower percentage of the respondents indicated that employers offer salaries that match the work. However, a high percentage of the respondents indicated that wages in their hotels were enough to meet employee needs.

In the correlation analysis, the study found that remuneration had a positive and significant association with employee retention in the hotel industry in Kenya. In addition, the study found that remuneration is positively and significantly associated with career development, job promotion and employee recognition. From the regression analysis, the study found that remuneration had a positive and significant

influence on employee retention in the hotel industry in Kenya. The study also established that hotel rating moderates the effect of remuneration on employee retention in the hotel industry in Kenya

Remuneration is one of the most important variables for employee satisfaction. Compensation can be described as the amount of reward that a worker expects from the job. Employees should be satisfied with competitive salary packages and they should be satisfied with it when comparing their pay package with those of the outsiders who are working in the same industry. A feeling of satisfaction is felt by attaining fair and equitable rewards. An effective remuneration system is one that enables an organization to attract, retain and motivate its employees. The base compensation, which is the cash payment or salary paid to employees in return for their standard (optimum) performance, enables organizations to attract and retain employees.

5.2.4 Effect of Employee Recognition on Employee Retention

According to the descriptive statistics, majority of the respondents indicated that employee recognition in their hotels was accompanied by some rewards, their employers offer appreciation for the job well done and their employers provide opportunities to get high positions. The study also found that employee recognition in hotels in Kenya comes with increase in responsibility and their employers involve them in decision making.

The findings in the correlation analysis indicated that employee recognition is positively and significantly associated with employee retention in the hotel industry in Kenya. The study also established that employee recognition is positively associated with career development, remuneration and job promotion. From the univariate analysis, the study also found that employee recognition has a positive and significant influence on employee retention in the hotel industry in Kenya. The study also established that hotel rating moderates the effect of employee recognition on employee retention in the hotel industry in Kenya.

Appreciation is a fundamental human need. Employees respond to appreciation expressed through recognition of their good work because it confirms their work is valued. When employees and their work are valued, their satisfaction and productivity rises, and they are motivated to maintain or improve their good work. Praise and recognition are essential to an outstanding workplace. People want to be respected and valued for their contribution. Everyone feels the need to be recognized as an individual or member of a group and to feel a sense of achievement for work well done or even for a valiant effort. Everyone wants a ‘pat on the back’ to make them feel good.

5.3 Conclusions

The study set out to examine the effect of reward management practices on employee retention in the hotel industry in Kenya. The study concluded that career development influences employee retention in the hotel industry in Kenya. There was a positive and significant relationship between career development and employee retention in the hotel industry. When opportunities for career development increase employee retention increases, and when career development opportunities in a hotel decrease, employee retention decreases. The study also concluded that job promotion influences employee retention in the hotel industry in Kenya. There is a positive and significant relationship between job promotion and employee retention in the hotel industry. When chances and hopes for job promotion increase, employee retention increases and when chances and hopes for job promotion decrease, employee retention decreases.

Further, the study concluded that remuneration influences employee retention in the hotel industry in Kenya. There was a positive and significant relationship between remuneration and employee retention in the hotel industry. When remuneration in a hotel increases, employee retention increases and when remuneration decreases employee retention decreases. In addition, the study concluded that employee recognition affects employee retention in the hotel industry in Kenya. There was a positive and significant relationship between employee recognition and employee retention in the hotel industry. This shows that when employee recognition in an

organization increases, employee retention also increases and when employee recognition decreases, employee retention decreases. Lastly, the study concluded that the moderating effect of hotel rating was significant between the reward management practices and employee retention.

5.4 Recommendations

In this section, recommendations related to policy and management of the hotel industry as well as areas for further research are given as follows:

5.4.1 Effect of career development on employee retention

Career development is one of the key factors influencing employee retention in the hotel industry. Therefore, the human resource managers in the hotel industry in Kenya should develop Career Development Programs indicating various types of career developments in the organizations and who is eligible for them. In addition, career development programs should be designed to assist staff in meeting new demands through a range of developmental and skill building activities. Organizations should also have a structured career development plan. This will allow employees to have a better long-term vision of their evolving role inside the company. It will also allow the company to show its commitment to developing its talent, which benefits both the company and the employee.

5.4.2 Effect of job promotion on employee retention

Players in the hotel industry should develop a policy indicating when a person should be promoted. This will help to deal with issues of discrimination in job promotions as indicated in the study. In addition, job promotions should not be an increase in roles and responsibilities only, but should be accompanied by an increase in salary and allowances.

Also, the hotel industry utilizes a lot of the casual labor and hence the management of the players should consider promoting the casual laborers to short contracts or permanent positions.

5.4.3 Effect of remuneration on employee retention

Remuneration is a key factor influencing employee retention in the hotel industry. The players in the hotel industry have control over the basic salary of their employees including bonuses and other allowances. The management of the hotel industry in Kenya should ensure that they have a documented policy indicating the basic salaries and bonuses. The managements of the hotel industry should review their remuneration structure to consider the current high cost of living. The study found that wages in their hotels were not enough to meet employee needs. The high cost of living and salaries influence employees to switch between hotels and between industries. Employees may choose to switch to other sectors that are paying better salaries and wages.

5.4.4 Effect of employee recognition on employee retention

Employee recognition should be clear and well communicated to the staff. The criteria should outline clearly the stand of the institution on internal promotions versus the external appointments. The policy should be revised to make it all inclusive so that it is not skewed in favor of some duties while ignoring others and also to reflect fairness. The management of the hotels should enhance employee recognition through a monthly or yearly recognition. In addition, recognition should be accompanied by some financial rewards or job promotion and not just certificates and trophies.

5.4.5 Suggestions for Further Studies

A review of literature indicated that there has been limited amount of research on employee retention in the hotel industry in Kenya. Thus, the findings of this study serve as a basis for future studies on retention and on this population. Human resource managers as a population, had not been widely studied which presented gaps in African and Kenyan contexts. The study has therefore contributed to knowledge by establishing that reward management practices influence employee retention in the hotel industry in Kenya.

This study used descriptive research design, other studies can use different types of designs to establish reward management practices influence employee retention. In addition, this study used human resource managers as the target population. Being part of the management they may not give views on behalf of the employees. Further studies can be conducted on the effect of reward management practices on employee retention by focusing on employees in the hotel industry in Kenya. The scope of the study was the hotel industry in Kenya and hence the findings may not be generalized to other sectors in Kenya like the banking industry, manufacturing sector and insurance industry among others. Therefore further studies can be conducted to investigate whether reward management practices influence employee retention in other sectors and industries in Kenya.

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APPENDICES

Appendix I: Questionnaire

This questionnaire is to collect data for purely academic purposes. All information will be treated with utmost confidentiality. Do not put any name or identification on this questionnaire. Answer all questions as indicated by either filling in the blank or ticking the option that applies. There is no right or wrong answer that the researcher is looking for.

Part A: Preliminary Information

1. Age Bracket

- | | | | |
|---------------|-----|---------------|-----|
| Under 20years | [] | 21-30 years | [] |
| 31-40 years | [] | 41-50 years | [] |
| 51-60 years | [] | Over 60 years | [] |

2. Gender

- | | | | |
|------|-----|--------|-----|
| Male | [] | Female | [] |
|------|-----|--------|-----|

3. Years of service at hotel

- | | | | |
|----------------|-----|-------------|-----|
| Below 5 years | [] | 6-10 years | [] |
| 11-15 years | [] | 16-20 years | [] |
| 21-25 years | [] | 26-30 years | [] |
| Above 30 years | [] | | |

4. The hotel has been in existence for how many years

.....

5. How many employees work in the hotel

.....

Part B: Study Variables

6. Hotel Rating

- 3 - Star [] 6- Star []
- 4 - Star [] 7 - Star []
- 5 - Star []

Career Development

7. To what extent do you agree with the following aspects of career development in your hotel? (Where: 5=Strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly disagree)

	1	2	3	4	5
My employer offers career development opportunities to all employees					
Skills development opportunities are available in our hotel					
Career growth opportunities are available in our hotel					
My employers offers all the employees career advancement opportunities					
My employer gives equal opportunities for career development					

8. Mention any suggestions on career development in your hotel?

.....

.....

.....

Job Promotion

9. To what extent do you agree with the following aspects of job promotion in your hotel? (Where: 5=Strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly disagree)

	1	2	3	4	5
Job promotion comes with increase in responsibilities					
Employee skills increases with job promotion					
Job promotion increases employee ability					
Job promotion allows change of facilities					
Job promotion gives rise change of positions					

10. Mention any other suggestions on job promotion in your hotel?

Remuneration

11. To what extent do you agree with the following aspects of compensation and benefits in your hotel? (Where: 5=Strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly disagree)

	1	2	3	4	5
My employer offers salaries that matches the work					
Wages in our hotel are enough to meet employee needs					
My employer offers payment for working overtime and holidays					
My employer provides us with performance bonuses					
My compensation matches with other hotels compensations					

12. In your own view, what are your suggestions on remuneration in your hotel?

Employee Recognition

13. To what extent do you agree with the following aspects of employee recognition in your hotel? (Where: 5=Strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly disagree)

	1	2	3	4	5
My employer offers appreciation for the job well done					
My employer involves us in decision making					
Employee recognition comes with increase in responsibility					
My employer provides opportunities to get high positions					
Employee recognition is accompanied with some rewards					

14. In your opinion, give a suggestion how employee recognition can be realized in your organization

.....

15. Employee Retention

16. To what extent do you agree with the following aspects of employee retention in your hotel? (Where: 5=Strongly agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly disagree)

	1	2	3	4	5
My employer encourages staff to work longer in the hotel					
Staff retrenchment takes place every year					
Some staff leave the hotel voluntarily					
Many staff leave the hotel involuntarily					
Staff redundancy takes place every year in the hotel					

17. What was the number of employees in your hotel at the beginning of the year 2015?

.....

...

18. What was the number of employees at the end of the year in 2015?.....

.

19. What was the number of employees who left your hotel involuntarily in 2015.....

20. What was the number of employees who left your hotel voluntarily in 2015.....

Appendix II: Sample Size Table

Required Sample Size [†]								
Population Size	Confidence = 95%				Confidence = 99%			
	Margin of Error				Margin of Error			
	5.0%	3.5%	2.5%	1.0%	5.0%	3.5%	2.5%	1.0%
10	10	10	10	10	10	10	10	10
20	19	20	20	20	19	20	20	20
30	28	29	29	30	29	29	30	30
50	44	47	48	50	47	48	49	50
75	63	69	72	74	67	71	73	75
100	80	89	94	99	87	93	96	99
150	108	126	137	148	122	135	142	149
200	132	160	177	196	154	174	186	198
250	152	190	215	244	182	211	229	246
300	169	217	251	291	207	246	270	295
400	196	265	318	384	250	309	348	391
500	217	306	377	475	285	365	421	485
600	234	340	432	565	315	416	490	579
700	248	370	481	653	341	462	554	672
800	260	396	526	739	363	503	615	763
1,000	278	440	606	906	399	575	727	943
1,200	291	474	674	1067	427	636	827	1119
1,500	306	515	759	1297	460	712	959	1376
2,000	322	563	869	1655	498	808	1141	1785
2,500	333	597	952	1984	524	879	1288	2173
3,500	346	641	1068	2565	558	977	1510	2890
5,000	357	678	1176	3288	586	1066	1734	3842
7,500	365	710	1275	4211	610	1147	1960	5165
10,000	370	727	1332	4899	622	1193	2098	6239
25,000	378	760	1448	6939	646	1285	2399	9972
50,000	381	772	1491	8056	655	1318	2520	12455
75,000	382	776	1506	8514	658	1330	2563	13583
100,000	383	778	1513	8762	659	1336	2585	14227
250,000	384	782	1527	9248	662	1347	2626	15555
500,000	384	783	1532	9423	663	1350	2640	16055
1,000,000	384	783	1534	9512	663	1352	2647	16317
2,500,000	384	784	1536	9567	663	1353	2651	16478
10,000,000	384	784	1536	9594	663	1354	2653	16560
100,000,000	384	784	1537	9603	663	1354	2654	16584
300,000,000	384	784	1537	9603	663	1354	2654	16586

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Appendix III: Operationalization of the Regression Model

Hypothesis	Measurement	Analysis techniques	Interpretation
H ₁ . There is a positive significant relationship between career development and employee retention in the hotel industry in Kenya.	Quantitative Data (5 Point-Likert Scale)	<ul style="list-style-type: none"> • Multiple Regression analysis • Correlation analysis 	<ul style="list-style-type: none"> • If the p-value is below the significance level (0.05) we reject the null hypothesis • If t calculated is greater than t critical we reject the null hypothesis
H ₂ . Job promotion has a positive significant relationship influence on employee retention in the hotel industry in Kenya.	Quantitative Data (5 Point-Likert Scale)	<ul style="list-style-type: none"> • Multiple Regression analysis • Correlation analysis 	<ul style="list-style-type: none"> • If the p-value is below the significance level (0.05) we reject the null hypothesis • If t calculated is greater than t critical we reject the null hypothesis
H ₃ . Remuneration has a positive significant influence on employee retention in the hotel industry in Kenya.	Quantitative Data (5 Point-Likert Scale)	<ul style="list-style-type: none"> • Multiple Regression analysis • Correlation analysis 	<ul style="list-style-type: none"> • If the p-value is below the significance level (0.05) we reject the null hypothesis • If t calculated is greater than t critical we reject the null hypothesis
H ₄ . There is a positive significant relationship between employee recognition and employee retention in the hotel industry in Kenya	Quantitative Data (5 Point-Likert Scale)	<ul style="list-style-type: none"> • Multiple Regression analysis • Correlation analysis 	<ul style="list-style-type: none"> • If the p-value is below the significance level (0.05) we reject the null hypothesis • If t calculated is greater than t critical we reject the null hypothesis
H ₅ . The strength of the relationship between reward management practices and employee retention in the hotel industry in Kenya depends on hotel rating.	Quantitative Data - 1 point scale	<ul style="list-style-type: none"> • Multiple Regression analysis • Correlation analysis 	If the p-value is below the significance level (0.05) , confirms goodness of fit of the model and significance in predicting the moderating effect between reward practices and employee retention.

Appendix IV: KAHC Hotels

Hotels registered with Kenya Association of Hotelkeepers and Caterers

1. 67 Airport Hotel
2. Best Western Premier
3. Boma International Hospitality College
4. Clarion Hotel
5. Crowne Plaza
6. Eka Hotel
7. Enashipai Resort & Spa
8. Fairview Hotel
9. Golden Tulip Hotel
10. Hemmingways Nairobi
11. Hill Park Hotel
12. Hilton Nairobi
13. Hotel Intercontinental Nairobi
14. Hotel Royal Orchid Azure Nairobi
15. International Hotel & Tourism Institute
16. Jacaranda Hotel Nairobi
17. Karen Country Club
18. Kenyatta International Conference Center
19. Laico Regency Hotel
20. Leisure and Travel Guides
21. Maanzoni Lodge
22. Muthaiga Country Club
23. Nairobi Safari Club
24. Nairobi Serena Hotel
25. Naivasha Kongoni Lodge
26. NAS Airport Services
27. Ole Dume Serviced Apartments & Hotel
28. Ole Sereni Hotel
29. Panari Hotel
30. Parklands Sports Club
31. Pride Inn Lantana
32. Pride Inn Hotel Rhapta
33. Pride Inn Hotel Westlands
34. Pride Inn Hotel Lanatana Suites
35. Radisson Blu Hotel
36. Red Court
37. Safari Park Hotel & Casino

38. Sankara Nairobi
39. Sarova Panafric
40. Karen Blixen Coffee Garden & Cottages
41. Southern Sun Mayfair
42. Sovereign Suites
43. The Boma Nairobi
44. The Fairmont Norfolk Hotel
45. The Sarova Stanley
46. The Tamarind Group
47. Tin Tin Hospitality & Restaurant
48. Tribe Hotel
49. Utalii Hotel
50. Villa Rosa Kempinski
51. Weston Hotel
52. Windsor Golf Hotel & Country Club
53. Naivasha Simba Lodge
54. Naivasha Sopa Lodge
55. Olare Mara Kempinski
56. Lake Elementaita Serena Camp
57. Lake Naivasha Country Camp
58. Little Governor's Camp
59. Mara Leisure Camp
60. Mara River Camp
61. Mara Safari Camp
62. Mara Serena Safari Lodge
63. Mara Simba Lodge
64. Mara Sopa Lodge
65. Acacia Premier Hotel Kisumu
66. Golf Hotel Kakamega
67. Park Villa Hotel
68. Sunset Hotel Kisumu
69. Amboseli Serena
70. Samburu Sopa Lodge
71. Sarova Shaba
72. Sarova Lion Hill Game Lodge
73. Sarova Mara Game Camp
74. Kilaguni Serena
75. Lions Bluff Lodge
76. Ol Tukai Lodge
77. Sarova salt Lick Game Lodge
78. Sarova Taita Hills Game Lodge
79. Tortillis Camp

80. Voi Safari Lodge
81. Voi Wildlife Lodge
82. Voyager Ziwani Safari Camp
83. Hemingways Resort
84. Ocean Sports Resort
85. Temple Point Resort
86. Turtle Bay Beach Club
87. ACK Guest House Mombasa
88. Amani Tiwi Beach Resort
89. Bamburi Beach
90. Boabab Beach Resort & Spa
91. Campers Haven & Jamboree Resort
92. Diani Reef Beach Resort & Spa
93. Diani Sea Lodge
94. Diani Sea Resort
95. Driftwood Beach Club
96. Eden Beach Apartments
97. Elewana Africa Diani
98. Jacaranda Indian Ocean Beach Resort
99. Leisure Lodge Beach and Golf Resort
100. Leopard Beach Resort & Spa
101. Medina Palms Malindi
102. Milele Beach Hotel
103. Moffat Court Apartments
104. Mombasa Beach Hotel
105. Mombasa Continenta Resort
106. Msambweni Beach House & Private Villas
107. North Coast Beach Hotel
108. Pa Pweza Adamsville Beach Suites
109. Pangoni Beach Resort and Spa
110. Pine Court Hotel
111. Pinewood Beach Resort & Spa
112. Plaza Beach Hotel
113. PrideInn Mombasa
114. PrideInn Plus Paradise
115. Reef Hotel Mombasa
116. Sarova Whitesands
117. Sentido Neptune Paradise
118. Sentido Neptune Village Resort
119. Serena Beach Hotel & Spa
120. Severin Sea Lodge
121. Southern Palms Beach Resort

122. Sun Africa Beach Resort
123. Saruni Beach
124. Sunset Paradise Apartments
125. Swahili Beach Resort
126. Travellers Beach Hotel
127. Voyager Beach Resort
128. Serena Mountain Lodge
129. Sweet Waters Tented Camp
130. The Ark
131. The Fairmont Mount Kenya Safari Club
132. Aberdare Country Club
133. Boma Inn Eldoret
134. Elephant Pepper Camp
135. Fig Tree Camp
136. Governor's Camp
137. Great Rift Valley Lodge & Golf Resort
138. Alliance Naromoru River Lodge
139. Ashnil Samburu
140. Ashnil Mara Camp
141. Ashnil Aruba Camp
142. Elsa's Kopie
143. Joy's Camp
144. Larsens Camp
145. Loisaba
146. New Blue Post Hotel
147. Rhino Watch Lodge & Tented Camp
148. Samburu Game Lodge
149. Samburu Intrepids
150. Saruni Samburu
151. II Keliani Camp
152. IIKeliani Camp, Maasai Mara
153. Keekorok Lodge
154. Kiboko Luxury Camp
155. Kicheche Safari Camp
156. Kitich Camp
157. Mara Engai Wilderness Lodge
158. Mara Intrepids
159. Merica Hotels
160. Mpata safari Club
161. Naibosho Camp
162. Olkurruk Lodge
163. Olumara Camp

164. Rekeru Camp
165. Sanctuary Olonana
166. Sekenani Camp
167. Sekenani Camp Lodge Park
168. Sleeping Warrior Camp
169. Wigot Gardens Hotel
170. Amboseli Sopa Lodge
171. Ashnil Aruba Lodge
172. Finch hattons Luxury tented Camp
173. Hemingways – OL Seki
174. Karen Blixen Camp
175. Beyond Kichwa Tembo Camp
176. Arc Egerton Hotel
177. Ashnil Mara Camp
178. Atua Enkop Elephant Camp Maasai Mara
179. Base Camp Maasai Mara
180. Sentido Neptune Palm Beach Resort
181. Kinondo Kwetu
182. Lantana Galu Beach
183. Kipungani Explorer
184. Lion in The Sun Resort & Spa
185. Mnarani Club
186. Ngulia Safari Lodge
187. Ol Donyo Wuas Lodge
188. Pride Inn Hotel Parklands
189. Surfside Villas
190. United States International University
191. Sarova Shaba
192. Rekeru Camp
193. Sanctuary Olonana
194. Sleeping Warrior Camp
195. Widerness Camp
196. Tawi Lodge
197. Siana Springs Tented Camp
198. Surfside Villas
199. Saruni Samburu
200. Sand River Mara
201. Nyumbu Camp
202. Medina Hotel
203. Lewa safari Beach
204. Lake Naivasha Resort
205. Lake Nakuru Lodge

- 206. Jumuia Centre
- 207. Kenyatta International Conference Centre
- 208. Kentmere Club
- 209. Bracken Hurst Limuru
- 210. Pan African University House
- 211. Midlands
- 212. Loisaba Widerness
- 213. Lions Bluff Lodge

(Source: KAHK, 2015)