

**EFFECTS OF HUMAN RESOURCE MANAGEMENT PRACTICES ON  
EMPLOYEE RETENTION IN HOTELS IN NAIROBI CITY COUNTY,  
KENYA**

**BY  
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**A THESIS SUBMITTED TO THE SCHOOL OF TOURISM, HOSPITALITY  
AND EVENTS MANAGEMENT, IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF A MASTERS DEGREE IN  
HOSPITALITY MANAGEMENT**

**MOI UNIVERSITY**

**2023**

## DECLARATION

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**DEDICATION**

This Thesis is dedicated to my family for their encouragement and moral support as well as cooperation in all that I want to achieve in my career path and life

## **ACKNOWLEDGMENT**

A special thank you to Prof. Loice Maru and Dr. Dorothy Rotich, who served as my supervisors, for their encouragement, counsel, and ongoing appraisal and monitoring of my work. I also want to express my gratitude to the Moi University administration for providing me with access to the numerous resources that I needed to put this work together through the university library and the library staff. Particular credit goes to my classmates and friends who, with their steadfast help and dedication, saw this research through to completion. Last but not least, I want to express my deepest gratitude to our omnipotent Lord for all of His favors.

## ABSTRACT

Finding, integrating, developing, compensating, and retaining skilled employees is the task of the human resource department. Due to intense rivalry, Kenya's hotel business is particularly vulnerable to the danger of employee turnover. This study was conducted to determine the impact of employee retention practices on selected hotels in Nairobi City County, Kenya. The study specifically looked at how compensation affected employee retention, how employee engagement affected it, how career management affected it, and how job security affected it. The study was conducted in Nairobi City County and used an explanatory research approach. Four hypotheses resulting from the study's four distinct objectives were put to the test: The Maslow Hierarchy of Needs, Herzberg Two Factor, and Adams Equity Theories all provided insight for the study. 296 respondents from 44 hotels in Nairobi City County were the study's target audience. The sample size for the study, which used both descriptive and inferential statistics, was 170 respondents. The primary tool for gathering data was structured questionnaires. Every objective had a Cronbach Alpha developed, and when the results were analyzed, it was discovered that the reliability of compensation was the greatest (0.882), followed by that of employee engagement (0.804), career management (0.763), and job security (0.753). Although inferential analysis used correlation and multiple regressions, descriptive statistics analysis used the mean and standard deviation. According to Pearson's correlation data, human resource management methods were associated to employee retention. .796 correlation coefficient. Human Resource Management practices (compensation, engagement, career management, and job security) were regressed against the dependent variable in a multiple regression to determine the link between the independent and dependent variables (retention of employees). The analysis of the results revealed a positive association between the analyzed factors, as shown by compensation ( $= 0.269$ ,  $P 0.001$ ), employee engagement ( $=0.17$ ,  $P 0.001$ ), career management ( $=0.589$ ,  $P 0.001$ ), and job security ( $=0.294$ ,  $P 0.001$ ). The study came to the conclusion that job security, career management, salary, and employee engagement all had a significant and advantageous impact on employee retention. As a result, it was recommended that managers create a system of compensation, benefits, and rewards in which employees are given positive recognition and rewards for good performance, and that both the government and the hotel sector should implement a career planning program. These recommendations were made to encourage employees to reduce their intentions to leave their jobs. To increase employee retention, employees should be involved in a variety of organizational tasks, such as decision-making, to help them feel important to the company. By providing the terms and conditions of employment to the employees and ensuring an effective procedural dismissal whereby employees are informed of any planned dismissal and the reasons for the same, hospitality organizations can ensure that employees have the assurance of their job security, which will increase their satisfaction.

## TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION .....	iii
ACKNOWLEDGMENT.....	iv
ABSTRACT.....	v
TABLE OF CONTENTS .....	vi
LIST OF TABLES .....	ix
LIST OF FIGURE.....	x
ACRONYMS AND ABBREVIATIONS .....	xi
DEFINITION OF KEY TERMS .....	xii
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background to the Study.....	1
1.1.1 Hotel industry in Kenya .....	3
1.1.2 Employee Retention .....	4
1.1.3 Human Resource Management (HRM) Practices and Employee Retention.....	5
1.2 Statement of the Problem.....	6
1.3 Objectives of the Research.....	7
1.3.1 General Objective.....	7
1.3.2 Specific Objectives.....	7
1.4 Research Hypothesis .....	8
1.5 Significance of the Study .....	8
1.5.1 The Hospitality Industry.....	8
1.5.2 The Government and the Policy Workers .....	9
1.5.3 Future Research/ Scholars .....	9
1.6 Scope of the Study .....	10
1.7 Assumptions of the Study .....	10
1.8 Limitations of the Study.....	11
<b>CHAPTER TWO .....</b>	<b>12</b>
<b>LITERATURE REVIEW.....</b>	<b>12</b>
2.0 Introduction.....	12
2.1 Theories and Concepts .....	12
2.1.1 The Maslow’s Hierarchy of Needs Theory (1943) .....	13

2.1.2 Herzberg Two Factor Theory (1959).....	15
2.1.3 Adams Equity Theory (1965).....	16
2.1.4 Social Exchange Theory.....	17
2.1.5 Relevance of the Theories to the Study.....	18
2.2 Empirical Literature.....	18
2.2.1 Human Resource Management Practices.....	18
2.2.2 Employee Compensation.....	21
2.2.3 Employee Engagement.....	23
2.2.4 Career Management.....	25
2.2.5 Job Security.....	26
2.2.6 Employee Retention.....	27
2.2.7 Effects of Human Resource Management Practices on Employee Retention.....	29
2.3 Summary of Literature and Emerging Issues.....	30
2.4 Conceptual Framework.....	31
2.5 Operationalization of Variables.....	32
<b>CHAPTER THREE.....</b>	<b>33</b>
<b>RESEARCH METHODOLOGY.....</b>	<b>33</b>
3.1 Introduction.....	33
3.2 Study Area.....	33
3.3 Research Design.....	34
3.4 Target Population.....	34
3.5 Sampling.....	35
3.6 Data type and Collection Instruments.....	36
3.7 Data Collection Procedure.....	36
3.8 Validity and Reliability of the Questionnaire.....	37
3.8.1 Validity.....	37
3.8.2 Reliability.....	38
3.9 Data Analysis and Presentation.....	39
3.10 Ethical Considerations.....	42
3.11 Limitations of the Study.....	42
<b>CHAPTER FOUR.....</b>	<b>43</b>
<b>DATA ANALYSIS, PRESENTATION AND DISCUSSION.....</b>	<b>43</b>
4.1 Introduction.....	43
4.2 Response Rate.....	43

4.3 General Information of the Respondents .....	43
4.3.1 Gender of the respondents.....	43
4.3.2 Age of the Respondents.....	44
4.3.3 Highest Level of Education.....	45
4.3.4 Current Position held by the Respondent.....	45
4.4 Compensation and Employee Retention .....	46
4.5 Employee Engagement and Employee Retention.....	48
4.6 Career Management and Employee Retention .....	50
4.7 Job Security and Employee Retention .....	51
4.8 Employee Retention.....	52
4.9 Inferential Statistics .....	54
4.9.1 Correlation Analysis .....	54
4.9.2 Multiple Regression .....	55
4.9.3 Model Summary .....	55
4.9.4 Analysis of Variance.....	56
4.10 Hypothesis Testing.....	59
<b>CHAPTER FIVE .....</b>	<b>61</b>
<b>SUMMARY OF FINDINGS, CONCLUSION AND POLICY</b>	
<b>RECOMMENDATIONS .....</b>	<b>61</b>
5.1 Introduction.....	61
5.2 Summary of Findings.....	61
5.4 Conclusion .....	65
5.5 Contributions of the Study to Knowledge .....	66
5.6 Recommendations with Policy Implications .....	67
5.7 Suggestions for Further Research .....	67
REFERENCES .....	69
APPENDICES .....	77
Appendix I: Cover Letter to Respondent .....	77
Appendix II: Research Questionnaires.....	78
Appendix III: Request Letter for Research .....	83
Appendix IV: NACOSTI Research Permit .....	84
Appendix V: Time Plan .....	86
Appendix IV: The Budget Schedule.....	87



## LIST OF TABLES

Table 1: Organizational Strategies to Motivate and Retain Employees.....	14
Table 2: Number of Hotels.....	35
Table 3: Measurement of Variables.....	37
Table 4: Reliability Coefficients .....	39
Table 5: Gender of the Respondents .....	44
Table 6: Age of the Respondents .....	44
Table 7: Highest Level of Education .....	45
Table 8: Current Position of the Respondents.....	46
Table 9: The Compensation and Employee Retention.....	48
Table 10: Employee Engagement and Employee Retention.....	49
Table 11: Results of Career Management and Employee Retention.....	51
Table 12: Extent of Agreement or Disagreement on Job Security and Employee Retention .....	51
Table 13: Employee Retention.....	53
Table 14: Correlation Matrix .....	55
Table 15: Model Summary.....	56
Table 16: Analysis of Variance.....	56
Table 17: Coefficients of Regression Equation.....	57

**LIST OF FIGURE**

Figure 1: Conceptual Framework .....31

**ACRONYMS AND ABBREVIATIONS**

<b>AMOS</b>	Analysis of Moment Structures
<b>ANOVA</b>	Analysis of Variance
<b>CEOs</b>	Chief Executive Officer
<b>DF</b>	Degree of Freedom
<b>EE</b>	Employee Engagement
<b>HR</b>	Human Resources
<b>HRM</b>	Human Resources Management
<b>ILO</b>	International Labour Organization
<b>KAHC</b>	Kenya Hotel and Restaurant Guide
<b>SD</b>	Standard Deviation
<b>SPSS</b>	Statistical Package for Social Sciences

## DEFINITION OF KEY TERMS

**Career Management:** It is described as an ongoing process of creating, putting into effect, and overseeing career plans that is carried out by individuals either independently or in coordination with the organization's career systems (Khan, 2010).

**Employee Compensation:** It describes all wages and benefits that workers receive in exchange for performing their tasks (Milkovich et al, 2013).

**Employee engagement:** It refers to an employee's emotional and logical behavior that inspires devotion to the organization's aims and values, motivation to support organizational success, and an elevated sense of their personal well-being (Purcell, 2016).

**Employee retention:** It refers to an organization's ability to reduce employee turnover. (Dhaliwal, 2022)

**Human Resource Practices:** It refers to a strategic method of handling labor relations that emphasizes the need of utilizing employees' abilities to gain a competitive edge through the implementation of a special set of integrated employment policies and programs (Bowen, 2016)

**Job Security:** It describes the sensations of having a good situation, the certainty that it will last in the future, and the lack of any potentially dangerous circumstances (Gondo & Amis 2013)

## **CHAPTER ONE**

### **INTRODUCTION**

The chapter outlines the background to the study, problem statement, research objectives and significance of the study.

#### **1.1 Background to the Study**

It is impossible to overstate the value and enormous contribution that human resources make to enterprises. The value of human resources is immeasurable, and they support businesses all around the world. A significant resource that may be strategically positioned to give a business a competitive advantage is the workforce in perspective. Rare and valuable resources are said to give a competitive advantage. Additionally, studies have demonstrated that managing precious and priceless human resources helps firms maintain and grow their competitive advantage (Khan 2010). Any organization's ability to succeed therefore depends on the caliber and effectiveness of its human resources. It is possible to think of organization as open systems with predetermined goals. Organizational theorists define organizations as social entities with objectives, developed as consciously structured and coordinated activity systems, and connected to the external environment (Daft, 2012). The majority of successful firms also attribute their success to their skilled people resources in addition to meticulous development and implementation of perfect policies and procedures.

Competent human resources may help businesses make the most use of their resources and continuously contribute to their effectiveness and ongoing development. Globally competitive businesses depend on its staff to come up with original answers to any issues they may be facing. In a world where competition is stiff and products are quickly duplicated by competitors, employees act as the most crucial and reliable resource that can help a company stay one step ahead of its rivals. Kibui, (2015) asserts that talent

acquisition, development, and retention are the cornerstones of establishing competitive advantage in a variety of industries and countries. So, it is crucial that any firm recruits and keeps skilled people resources in order for it to flourish and stay competitive. This suggests that an important factor in an organization's growth is staff retention.

Compared to other sectors of the global economy, the hospitality industry is one of the fastest growing, among the other total global services trade. International tourist arrivals have grown by 4.3 percent between 1995 and 2008 and over 1.1 billion tourists travelled internationally in 2014 (WTO, 2015). In fact, it is among the world's top creators of jobs requiring varying degrees of skills and allows for quick entry into the workforce for youth, women and migrant workers. It accounts for 30% of the world's export services. In contrast to other industries, employment tends to be oriented towards people under 35 years of age, half of which are 25 or under, and a large number of this percentage are women (UNWTO, 2014). Hotels and restaurants provide numerous opportunities to reduce poverty in many parts of the world. Hence, the hospitality sector has continued to be a critical sector for economic development and for sustaining employment, in both advanced and developing economies.

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

execution of effective human resource practices to enhance the welfare of workers has been accorded much lower priority in a bid to develop facilities. This has resulted in a scarcity of skilled and satisfied personnel in the industry. Hence, a glaring gap identified by the current study.

### **1.1.1 Hotel industry in Kenya**

According to Kenya's Hotels and Restaurants Act Cap 494 of the laws from 1986, a hotel is a place where five or more adult people can stay at once and receive lodging, food, or services in exchange for money or something of value. According to Kuria, et al., (2012), the Middle Eastern expansion of the transportation sector more than 2000 years ago is what gave rise to the hotel industry. The Kenyan hotel sector had its beginnings along the coast thanks to Arab traders and laborers building the Kenya-Uganda railway. The Grand Hotel of Mombasa, the first food and lodging facility to be built on the Kenyan coast as a result of their presence. It was erected where the current Manor Hotel is.

Further dining and lodging facilities had to be built along the railway line after the country was colonized by the British because Kenya and Uganda had to be connected. As a result, these facilities were built in inland cities like Nairobi, Nakuru, and Kisumu. By early 1960s, certain hotels such as the Norfolk in Nairobi had attained the worldwide five-star classification. Kenya Utalii College began teaching the local populace hospitality skills in 1975. Later, both public and private institutions would begin offering courses in hospitality, albeit with different curricula. Today's hospitality industry has seen significant growth, and training for the sector has drawn more institutions, some of which use internationally recognized curricula like the City and Guilds (Kamau, & Waudu, 2012).

However, this business has been plagued by a variety of bottlenecks that prevent expansion and as a result, interfere with the industry's potential characteristics. According to Park and Min (2020), service delivery and a late embrace of technology have led to a high rate of workforce turnover in the global hotel and tourism industries. There is no governing authority in Kenya that establishes job structures and pay scales for hotel employees, regardless of their level of training. Due to the high costs of training new staff, finding replacements, and separating leaving employees, this has had a severe influence on the sustainability of the hotel industry and negatively impacted consumer satisfaction (ILO, 2012).

### **1.1.2 Employee Retention**

As the knowledge worker era develops, firms face an increasingly significant challenge which is employee retention (Lumley, et al., 2011). Due to the wealth of choice afforded to brilliant candidates in the global job skills market, the labor market currently belongs to employees (Harris & Krueger, 2015). Both new and seasoned employees are recognizing that they have more freedom in the firms they choose to work for (Strenitzerová, & Achimský, 2019). Several organizational issues, including the retention of talented personnel, have been brought on by the dynamic corporate climate. Employee turnover, however, is expensive and can harm an organization's effectiveness and morale (Kerdpitak & Jermstittiparsert, 2020). Organizations should take precautions to avoid fostering an environment that encourages employee turnover in light of the financial consequences of doing so. Instead, they need to implement HRM practices, policies, and programs that help increase employee motivation and retention.



### **1.1.3 Human Resource Management (HRM) Practices and Employee Retention**

Although organizations do a variety of tasks (such as accounting, marketing, research, and development), managing human resources is one of their most important tasks. The value of utilizing HRM techniques strategically has become increasingly clear, and forward-thinking businesses are setting the pace for doing so in order to gain a competitive advantage (Khan, 2010). According to (Nienhueser, 2011). HRM is a strategic method of managing employment relations that emphasizes the significance of utilizing employees' competencies to gain a competitive advantage. To accomplish this, a unique set of integrated employment rules, strategies, and practices are put into place. As a result, good HRM procedures may be viewed as the primary element determining an organization's success (Omar, 2021). In addition to helping employees develop their skills and talents, human resource management (HRM) approaches can also be utilized to elicit some good behavioral outcomes.

There are three main perspectives on HRM practices, according to research. According to the universalistic perspective, implementing particular best practices could increase organizational performance (Sadat, 2018). According to the contingency approach, different HRM practices are context-specific, and as a result, distinct organizational contexts may call for various tactics (Ferrin & Gillespie, 2010). The configurational approach therefore claims that the effects of human resource management (HRM) on company performance would be improved if different HRM techniques and organizational strategy were well-aligned. Even though the three approaches are different, they all focus on enhancing commitment and retention and share a number of common HRM practices. The three theories in this study all had a focus on compensation, employee engagement, job stability, and training.

Majumder, (2012) hypothesized that HRM practices have a considerable impact on job satisfaction in terms of the relationship between HRM practices and job satisfaction. The Kenyan hotel sector has seen a rise in the demand for HRM techniques. In order to achieve this, the hospitality sector must be proactive and smart with its policies and procedures that encourage and retain highly qualified people. Therefore, it is crucial for Kenya's hospitality sector to use human resource management (HRM) techniques for staff retention.

## **1.2 Statement of the Problem**

Research posits that retaining employees, especially in the hospitality industry, is highly challenging due to varying demand and job-hopping by a number of employees from time to time (Faldetta, Fasone, & Provenzano, 2013). The employees working in the hospitality industry are supposed to deal with visitors and customers globally on a day-to-day basis, which causes stress. According to (KNBS, 2018), the hospitality industry led in job creation by 9 percent which is 1.1 million jobs of the total formal employment. The sector also accounted for 313 million jobs (9.9%) of total employment globally. The hospitality industry is labor intensive and, hence, a major contributor to employment opportunities.

Despite the high job opportunities that the hospitality industry has always created, there have been negative impacts to most hotels and restaurants in Kenya. Some hoteliers are not able to retain their employees (Mutuku & Wambua, 2019). Kenya Tourism Federation KTF (2020) reported that some hotels on the Coast had a retention rate below 10%. This has necessitated some hotels to be closed down as a result of not retaining of their employees (Wako, 2020).

Further, the hospitality industry still struggles with staff retention. Another problem that has resulted from globalization is the deregulation of trade and commerce, which has exposed the nation to competition, particularly in the hospitality industry. One of the main pillars of Kenya's tourism industry is the hospitality sector, which has generally continued to experience phenomenal growth in terms of both revenues generated and infrastructure to support the industry. However, this phenomenal growth has been accompanied by intense competition among players in the industry for the few available human resources. So, for the majority of employers in this industry, increasing their ability to keep their current staff has emerged as a highly significant goal (Msengeti & Obwogi, 2015). Therefore, it is against this backdrop that this study sought to establish the effects of human resource management practices on employee retention in hotels in Nairobi City County, Kenya.

### **1.3 Objectives of the Research**

#### **1.3.1 General Objective**

The general objective of this study was to investigate the effects of human resource management practices on employee retention in selected hotels of Nairobi City County, Kenya.

#### **1.3.2 Specific Objectives**

- i. Investigate the effect of compensation on the retention of employees in Hotels in Nairobi City County.
- ii. Establish the effect of employee engagement on retention of employees in Hotels in Nairobi City County.
- iii. Examine the effect of career management on retention of employees in Hotels in Nairobi City County.

- iv. Analyse the effect of job security on retention of employees in Hotels in Nairobi City County.

#### **1.4 Research Hypothesis**

**H<sub>01</sub>:** Employee Compensation does not affect retention of employees in Hotels in Nairobi City County.

**H<sub>02</sub>:** Employee engagement does not affect retention of employees in Hotels in Nairobi City County.

**H<sub>03</sub>:** Career Management does not affect retention of employees in Hotels in Nairobi City County.

**H<sub>04</sub>:** Job security does not affect retention of employees in the Hotels in Nairobi City County.

#### **1.5 Significance of the Study**

##### **1.5.1 The Hospitality Industry**

Hotels share similarities in their operational models, which will benefit from the findings of this study. It will also assist them in planning workforce training programs and employee turnover interventions. Through this study therefore will be able to accelerate the development of operational policies that minimize the rate of employee turnover in the organization through the various stakeholders. The findings of this study are also intended to equip the senior management team and human resources department of various Hotels in Kenya with insights as to the causes of turnover. The study may be important to the management team because they may use the findings to streamline the retention strategies they have and give the organization the required competitive advantage. The findings will also provide to the human resource

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

### **1.5.2 The Government and the Policy Workers**

The findings of the study are of also help to policy makers and the government to craft policies that are appropriate to the industry, policies that will lead to employee retention and improved performance. The government will operate in similar environment could also gain from the findings of this study by drafting policies that can improve the welfare of employees and general performance of the hospitality sector. The study findings are also of benefit to potential entrants into the industry, since the results provide them with the knowledge of what is likely to affect the employees in the hospitality sector.

### **1.5.3 Future Research/ Scholars**

The study will add to the existing body of knowledge on the effects of human resource management practices on employee retention availing data for further research and practical reference. A documented copy of this research will be stacked at the library and will hence equip learners with more skills and knowledge on human resource management practices and employee retention in the hospitality sector organizations. The research will further contribute to the literature on employee turnover, which will form part of articles to be used by researchers who want to further this research, and to other interested parties in the academic circles. Theoretically, to fill a vacuum in the literature regarding how HRM strategies affect employee retention in the hotel business. It can also be used by future scholars as secondary data. The study will also look to offer fresh data on the best ways HRM strategies can affect employee retention. Lastly,

it will add to the body of knowledge on the issue and act as a reference for other research.

### **1.6 Scope of the Study**

It would have been excellent to do a research on how human resource management practices affect employee retention in a variety of Kenyan hotels. But Nairobi City County was the site of this study. In addition, although though there are many human resource management (HRM) techniques, this study only looked at compensation, job stability, training and development, and employee engagement. The HRM methods selected are a blend of both traditional and modern HRM techniques that are essential for firms operating in the twenty-first century. This study was conducted from the month of March 2018 to August 2018. The study used an explanatory research design and targeted 148 hotels. The study also targeted respondents aged 18 years and above to collect data from the survey questionnaire. Further, the study collected data from the three, four and five star hotels operating within Nairobi City County.

### **1.7 Assumptions of the Study**

Assumptions of the study are things that are somewhat out of your control, but if they disappear your study would become irrelevant. In the course of the study this study the researcher assumed;

- i. That the respondents answered the set questions truthfully, objectively and honestly.
- ii. That the stated sample was representative of the population she wished to make inferences to.

### **1.8 Limitations of the Study**

To gather data for this study, closed-ended questionnaires were used. These kinds of inquiries have the drawback of limiting the respondent's options and forcing them to answer questions in the researcher's preferred manner. Nonetheless, the researcher made sure that the questions are well-considered and thorough enough to address all significant components of the study objectives in order to minimize this restriction. The researcher was unable to learn about any current procedures that might affect employee retention because of the limited access to secondary classified information. In order to address the issue, the researcher used the internet to find more recent textbooks and articles that provide knowledge about employee retention and human resource management strategies. Human resource practices-related information is always handled delicately. This made it challenging to persuade the respondents of the value of providing truthful answers to the questions posed, as seen by their reluctance to accept invitations to participate in the study. To address this issue, the researcher explained to the respondents in advance why the research study was being conducted and that it was solely intended for academic purposes, not for use in other investigations. It is also important to keep in mind that this study was restricted to the hotel sector, therefore the data on human resource management techniques may not apply to Kenya's other businesses.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter analyzes academic writing pertinent to the study. The theoretical underpinnings and empirical issues supporting the phenomena under examination are also explored in this chapter and given further context. It is divided into three key subtopics, including theoretical review, staff retention and empirical review.

#### **2.1 Theories and Concepts**

The motivational, turnover, and retention theories are all covered in the theoretical review. Topics of human resource management (HRM) practices and employee retention are included. The empirical review focuses on the independent variables, including as compensation, employee engagement, job security, and training and development, that are related to retention. A conceptual framework that highlights the interactions between the study's important variables and identifies the gap that needs to be addressed in the investigation concludes the chapter. The incentive, turnover, and retention theories are covered in this section.

Employees moving on from one company to another have been given a variety of explanations. Some of the explanations include hiring practices, a lack of a competitive compensation system, management practices, a lack of recognition, poor working conditions, job insecurity, job dissatisfaction, a lack of promotion, and a lack of opportunities for training and development (Chiboiwa, et al., 2010). Both inner and extrinsic motivating elements can be used to these causes. Employee retention has been explained by a variety of motivating ideas. This section discusses three motivational theories namely: Maslow's Hierarchy of Needs, Herzberg Two Factor and Adams's Equity Theory.



### **2.1.1 The Maslow's Hierarchy of Needs Theory (1943)**

This comprised the propounding theory in the present study. In 1943, Abraham Maslow put forth his Hierarchy of Needs Theory. Maslow asserts that a series of five fundamental needs—physiological, safety, love, esteem, and self-actualization determine motivation. Maslow's Hypothesis was founded on the idea that lower-level wants must first be met in order for higher-level demands to become apparent (Tourish, Craig & Amernic, 2010). As a worker's basic needs for food, clothing, and housing are met, ego, esteem, and self-actualization become increasingly important to them. As a result, the most fundamental requirements of people are known as physiological needs, which include requirements for food, water, sex, sleep, and other body demands (Nahai, 2012). The requirements for security and protection against physical and emotional harm follow after this. The esteem needs, which include self-respect, status, prestige, and acknowledgment, come after the social wants of affection, love, and belongingness on the third level of requirements (Lumley, et al., 2011). Self-actualization or the desire to fulfill one's potential and become what one is capable of is the highest level of need.

The difficulty for firms is that it is crucial to carefully take into account the various needs of employees when developing a compensation scheme. According to Mcleod, (2013), managers and other organizational leaders can benefit from understanding the implications of Maslow's hypothesis. First, it instructs managers to develop initiatives and procedures focused at meeting newly developing or unmet demands in order to motivate personnel. Second, it indicates that management is in charge of fostering an environment at work that allows workers to reach their maximum potential. Lack of such a climate can aggravate workers, which may lead to subpar performance, reduced job satisfaction, and turnover Collins, (2010). Employees are therefore inclined to

depart and seek out organizations that can meet their needs if their needs at the various levels of the hierarchy are not addressed in a timely manner.

According to Noltemeyer, et al., (2012) who used Maslow's Hierarchy of Needs Theory as their foundation, organizations should take certain actions at each level of the hierarchy to meet the requirements of their employees and keep them motivated and employed.

**Table 1: Organizational Strategies to Motivate and Retain Employees**

<b>Levels in the hierarchy of needs</b>	<b>Needs associated with each level of the need hierarchy</b>	<b>Organizational measures for each level of need</b>
<b>Physiological</b>	Air Food Shelter Sex	Basic salary Heat and cold Canteen facilities Working conditions
<b>Safety and Security</b>	Safety Security Competence Stability	General salary increases Job security Fringe benefits Safe working conditions
<b>Social</b>	Companionship Affection Friendship	Quality of supervision Compatible work group Professional friendship
<b>Ego Status and Esteem</b>	Recognition Status Self-Esteem Self-Respect	Design challenging jobs Appraisal and rewards Give training Employee participation Responsibility Merit pay increase Job title Peer/Supervisory recognition
<b>Self-Actualization</b>	Growth Achievement Advancement	Challenging job Creative opportunities, Advancement in the organization

**Source: Adapted from Blunt and Jones (1992)**

### **2.1.2 Herzberg Two Factor Theory (1959)**

Frederick Herzberg introduced the motivation-hygiene theory, also referred to as the two-factor theory, for the first time in 1959. Herzberg's thesis states that some components relate to the demands of the job and provide employees with satisfying experiences. These motivators or satisfiers include things like success, acknowledgement, the work itself, accountability, advancement, and progress. The idea holds that there are outside factors that may cause poor experiences for employees. Corporate policies, remuneration, connections with coworkers, and management style are some of these factors, which are sometimes referred to as hygiene considerations (Sorensen, & McKim, 2014). It should be made clear that removing the sources of misery (via hygiene considerations) would not result in a satisfied state but rather a neutral state. Although receiving a lot of criticism, Herzberg's two component theory is one of the management theories that is most frequently accepted worldwide. The contemporary emphasis on managed learning, career management, and self-development could also be said to have been influenced by Herzberg's idea (Mullins, 2010).

The management application of this notion is that while workplace harmony may be attained by removing undesirable hygiene elements, it won't operate as an incentive for the employee. As a result, motivation could only come from using intrinsic factors. According to a number of empirical results, extrinsic factors like competitive pay, favorable interpersonal effects, a welcoming workplace, and job security are essential for keeping employees (Lane, et al., 2010). Giving employees opportunities for achievement, recognition, responsibility, personal growth, and promotion can boost their motivation (Heathfield, 2017). This implies that management should look at both

intrinsic and extrinsic variables when creating a successful plan to keep employees rather than relying only on intrinsic features to have an impact on employee retention.

### **2.1.3 Adams Equity Theory (1965)**

Adams' (1965) equity theory acknowledges that people consider more than just the rewards they receive for their efforts. They also take into account how those benefits stack up against those of others. The theory is based on how arbitrarily people often perceive equity or fairness. Employees aim to maintain equity between the contributions they make to a job such as their education, time, experience, and commitment and the rewards they receive such as promotions, honors, and higher pay against the perceived contributions and rewards of other employees, according to the equity theory (Akgunduz & Eryilmaz, 2018). According to equity theory, individuals who feel they are either being paid too much or too little would experience pain, which would drive them to seek to improve the organization's equity. Aleksynska (2018) claim that if they don't find equity, they might act in ways that are bad for the business.

Employees who feel they are unfairly rewarded may take retaliatory actions such as withholding effort and reducing work inputs, being hostile toward coworkers and the company, asking for pay raises, questioning supervisors about duties given, or abandoning their job and looking for employment elsewhere. Each of these choices has effects on an organization. It may diminish productivity and degrade overall performance. A company is likely to lose its productive talent and competitive edge if strong achievers quit the company.

The subjectivity of this idea is one of its flaws. Because comparisons can be tainted by prejudice and other human flaws, it is up to each person to apply their own discretion in determining what is fair or unfair. So, it is essential that any decisions people make

be unbiased and demonstrate blatant unfairness. According to the notion, in order to retain employees, businesses must create compensation programs that are viewed favorably by their workforce as fair and equal.

#### **2.1.4 Social Exchange Theory**

This theory states that the use of subjective cost-benefit analysis influences human connections and has origins in the three crucial disciplines of economics, psychology, and sociology (Cropanzano, et al, 2017). The theory holds that social trade is a process of negotiated agreements in which both parties acknowledge their mutual reliance and acceptance of responsibility for one another. Moreover, relationships between parties are frequently seen as dependent on one another and on the actions of others (Chernyak-Hai & Rabenu, 2018). Ko and Hur, (2014) discovered that social exchange relationships affect whether a contract is repeatedly renewed or terminated by either side in a normal work context. When they believe that their employer is a valuable relationship for them, employees are more inclined to stay with them, and they are more likely to leave when their employer's costs outweigh their benefits.

The exchange theory believes that the employment relationship comprises of social or economic exchanges with regard to HRM procedures and employee retention (Van Vianen, 2011). In a partnership based on economic exchange, rewards and incentives are given in exchange for labor-intensive employees' efforts. Reduced levels of retention are more likely to come from an organization's inadequate and unjust compensation (Hassan, et al., 2013). The 12 social exchanges, on the other hand, are voluntary actions that may be prompted by how an organization treats its employees with the expectation that the employees will be obligated to repay the good deeds of the organization (Gurbuz & Mert, 2011).

Its premise is that because people are social animals, they desire higher quality of life (Berens, 2013). Employee motivation, team morale, and job satisfaction are all significantly impacted by perceived pleasant working conditions, which lead employees to take actions that are beneficial to their team mates and the business. Employees may also fight against unfair working conditions, which can result in negative energy that shows up as unfavorable work behaviors including tardiness, absences, or plans to leave the company. The qualities of an ideal workplace, according to Dion, Sumner, and Mitchell, (2018), include training and development, work-life balance, rewards, and compensation.

### **2.1.5 Relevance of the Theories to the Study**

Theories that are important to this topic include models for turnover and retention as well as motivational theories. The ideas are pertinent because they explain the strategies being researched in retention and human resource management. One of the first theories of motivation is Maslow's (1943) idea of the hierarchy of needs. It discusses why employee engagement, career management, and compensation are necessary. The requirements for status/security, self-actualization, and safety are each represented by one of these factors. The two component theory proposed by Herzberg in 1959 can be utilized to explain compensation as well as training and development. In the theory, these activities stand in for the theory's motivators, dissatisfies, and hygiene elements. The equity theory of Adams (1965) can also explain factors like pay and job security.

## **2.2 Empirical Literature**

### **2.2.1 Human Resource Management Practices**

One of the key responsibilities that corporations have is managing their human resources. Human resource management strategies are a collection of coordinated choices that have an impact on employment; they involve helping individuals reach

their full potential in a way that advances both their own and the organization's goals. Bowen, (2016) defined HRM as the planning, organizing, directing, and controlling of the acquisition, development, compensation, integration, maintenance, and separation of human resources in order to fulfill personal, organizational, and social goals. Using employees' skills to obtain a competitive edge is crucial, according to De Brito and De Oliveira, (2016) definition of HRM as a strategic approach to managing employment relations. A unique set of integrated employment policies, programs, and practices are used to achieve this. HRM employs a range of programs, services, and activities to accomplish business objectives and enhance employee wellness.

Yet, tactics to keep employees has received a lot of attention when it comes to effective employment practices (Hutchings, De Cieri & Shea, 2011). Feelings of commitment and satisfaction have been linked to retention. Family-friendly work policies, communication, telecommuting, well-being programs, working conditions, and social and community behaviors have all been emphasized in this context (Hussain, & Mujtaba, 2012). All of these projects aim to improve HRM procedures, workplace relationships, and ultimately organizational performance by influencing the attitudes and behaviors of employees (Manzini, & Gwandure, 2011). Sorasak (2014) investigated how human resource management techniques affected employee retention in Tangthong, a Thai multinational corporation. Using SPSS AMOS for Path Analysis, 411 managers including top management, HR executives, and line managers, were investigated before being experimentally tested. The findings indicated that both a direct and indirect impact of HRM practices on employee retention existed. Employee engagement was the mediating characteristic with the greatest indirect impact on employee retention out of the five studied. However, the study left out other factors like pay and job stability that were examined in the present study.

Despite the fact that there are many HRM activities that may have been started as practices, this study will focus on four of them: remuneration, career management, work-life balance, and employee engagement. These methods are among the most popular among the three main schools of thought on HRM practices. Additionally, it is believed that these actions may motivate employees and provide them a feeling of security, autonomy, recognition, and higher self-worth, all of which may eventually result in affective commitment (Kelly, et al., 2011).

Even though they have been the subject of much research, career management and remuneration are still among the key components of HRM practices. This is due to the fact that every employee will desire to be paid for their efforts. Compensation can also be thought of as praise or a reward for efforts or favorable behavior. Similar to how employees always hope to advance in their careers, career management is highly important to them. So, the ability of a firm to satisfy employees' aspirations for professional growth will be of the biggest significance to them.

These two factors do in fact serve as requirements for security, status/esteem, and self-actualization as per the Maslow hierarchy of needs theory. Based on Adam's equity thesis, employees can perceive the two elements as just and equitable and a source of greater enjoyment. In the Herzberg two-factor theory, they also stand in for hygiene factors/dissatisfies and motivators/satisfiers. The two variables increase workers' perceptions of their value, which promote affective commitment. As a result, career management and compensation are essential HRM practices and powerful instruments for inspiring both employees and employers.

The finest HR strategies are associated with less turnover and greater employee productivity, Azeez (2017). As a result, employing HRM strategies for employee



retention is crucial in the financial industry as it aids in luring in, growing, and keeping highly competent individuals who can produce top-tier results. Four practices were examined: pay, employee engagement, career management, and job security.

### **2.2.2 Employee Compensation**

The term employee compensation refers to any wages and benefits that employees receive in exchange for doing their duties (Milkovich, et al., 2013). Direct remuneration includes things like employee wages and salaries, incentive payments, bonuses, and commissions. Whereas indirect compensation is defined as non-financial benefits such as healthcare, life insurance, subsidized lunches, leave policies, overtime pay, pension plans, and transportation requirements.

According to Krafft, et al., (2012) direct compensation is the most crucial element in attracting and retaining talent. A fair salary is regarded as the cornerstone of both the written and implied agreements between employers and employees since there is an implicit presupposition that money can alter conduct. Some companies may even give compensation packages that are well above the market rate in order to recruit and retain essential personnel (Cowherd & Levine, 2012). Most managers believe that money is the primary factor in retaining people and many employees cite better pay or benefits as the reason they switched companies (Bohlander & Snell, 2014). According to Khan, (2010), effective systems of disbursement combined with comprehensive compensation and awards can help retain personnel while attracting top applicants and influencing employee behavior and performance.

Benefits such as indirect pay have an impact on employee recruitment and retention. Hence, one of the key reasons influencing an employee's inclination to quit is the lack of suitable perks (Markham, Dow & McKee, 2012). According to McCollum, (2011) a

company can provide substantial benefits as non-cash compensation to make up for moderate salaries. To bolster this, Catanzaro et al., (2010) used his study to demonstrate that job candidates regardless of their sex or cultural background were prepared to take lesser pay in exchange for perks that mattered to them. Employee benefits strengthen employees' engagement to the company and decrease their propensity to consider other employment possibilities (Fiske, 2019). Cho et al., (2011) found that organizations that offer incentive plans to workers are more likely to observe reduced turnover rates among non-managerial employees in their study of the relationships between HRM practices and organizational performance. If a business provides incentive programs for rewards to more employees across the board, it will also reduce the rate of labor turnover (Musa et al., 2014). Competitive salary and benefit packages are thought to be a key component in employee retention, but Yusoff, et al., (2013) contend that they alone cannot persuade a worker to remain with a company. According to Nyandoro, and Goremusandu, (2016) this decision is influenced by a variety of other factors. The aforementioned elements are crucial for fostering employee loyalty to a company. The management must thus examine these issues along with salary. Work-life balance as well as training and growth are examples of such factors.

In the Eldoret municipality of Kenya, Chepchumba and Kimutai (2017) conducted a study on the association between employee compensation and employee turnover in small enterprises among safaricom dealers. It used a descriptive survey design. Data was gathered using a semi-structured, open-ended questionnaire, and it was afterwards checked, coded, and compiled using frequencies, tables, and graphs. There were 60 employees that were the target population. The study's findings showed that although compensation increases are crucial for reducing employee turnover, they were not major predictors of employee churn in small enterprises. The study added that a robust

benefits package lowers staff turnover. Also, this helps to reduce turnover coupled with pay policies, the workplace, showing staff appreciation, and offering leadership.

Obianuju et al., (2017) investigated how commercial banks' employee retention was affected by pay management. The research design used in the study was descriptive. The findings indicated that there is only a weak relationship between employee contentment and salary. The study came to the conclusion that if management fails to establish, administer, and enforce solid compensation policies that would allow them to retain their talented workers, people may leave their positions if they find a better offer elsewhere. The researcher recommended, among other things, that remuneration schemes should include creative and enticing methods to keep staff members by offering a range of incentives outside than money.

Kimani et al., (2017) conducted a study to determine the effect of remuneration schemes on employee performance at Mombasa Cement Ltd. There were 153 employees that were the target audience. The primary research tool used in the study to collect data from the selected respondents was a questionnaire. The quantitative data that was gathered was evaluated, presented, and interpreted using descriptive statistics. According to the survey, a fair wage, 24 benefits like bonuses and allowances, and verbal or written confirmation of employee performance are all important. The investigation came to the conclusion that the company's basic salary motivated workers. The study came to the additional conclusion that employee performance is positively impacted by employment benefits including allowances, incentives, and bonuses.

### **2.2.3 Employee Engagement**

Individuals seek out and stick with organizations that appreciate and value them. Today's challenge isn't only keeping skilled and qualified workers; it's about completely

absorbing them, gaining their hearts, and winning their minds at every stage of their professional careers (Stringer, 2010). Employee engagement (EE) has a substantial impact on organizational outcomes. Employee engagement strongly predicts favorable organizational outcomes like retention, productivity, and profitability, according to actual data from The Gallup Organization. Also, it can cut staff turnover plans by as much as 87%. Business Leadership Council. According to Markos and Sridevi (2010), employers are now becoming aware that focusing on employee engagement could help them create a staff that is more efficient and productive. Engagement has a significant effect in overall shareholder value in addition to having the potential to have a significant impact on staff retention and loyalty (Schwartz, 2011).

Schwartz, (2011) engagement is a joyful, pleasant mental state that is connected to work and is characterized by vitality, dedication, and absorption. Employee engagement (EE) gauges a worker's commitment to a project or a coworker within an organization, as well as their amount of effort and duration of stay as a result of that commitment (Sterling, 2013). Saks (2011) defines engagement as being willing to invest oneself and enhance one's discretionary effort to support the employer's success. Engagement goes beyond basic loyalty to the employer and goes beyond simple satisfaction with the employment arrangement. An engaged employee interacts with coworkers to improve job performance and is aware of the organizational context.

Engagement encourages a sense of commitment while also enhancing employee trust and retention in a harsh work environment. Employee engagement has a big impact on profitability, productivity, and staff retention (Saks & Gruman, 2014). Engaged employees are more loyal to their employers and less likely to leave (Shuck, 2011). This is further supported by the findings of Shuck et al., (2017), who discovered that engaged workers are generally less inclined to leave their employer. According to

Shuck, and Wollard, (2010) motivated individuals continuously engage in three general behaviors say, stay, and strive that enhance organizational success.

#### **2.2.4 Career Management**

Building capabilities is a crucial component of an organization's competitiveness in a knowledge economy. Workers that are knowledgeable and competent improve procedures, boost output, raise the quality of goods and services, and offer first-rate customer service (Khan, 2010). The majority of businesses may use career management programs to assist their employees in efficiently planning their careers because it is believed that employees generally respond favorably to career development and advancement opportunities.

Organizations support their employees in becoming more knowledgeable and achieving their own professional goals by offering chances for training and career development, which is a component of career management. Career management is defined as a continual process of establishing, carrying out, and supervising career goals. The emphasis is on taking actions that increase the possibility that the organization's anticipated HR needs will be met, which could include supporting the individual in setting and achieving career goals. According to Brown (2015) an effective organizational career planning system may also encourage people to take more responsibility for their own growth, including the development of skills the organization deems significant. Yet, it should be noted that the firm is more likely to reap the financial rewards of employee training if workers are inspired to stay longer and contribute to the success of the organization.

Career management offers both short-term and long-term benefits, including increased pay, increased marketability, better positioning for future employment options, and

increased job satisfaction. Khan, (2010) argues that training and development lead to both tangible outcomes like increased productivity, high-quality goods and services, and resource optimization as well as intangible outcomes like improved self-esteem, high morale, and satisfied employees as a result of the acquisition of new knowledge, skills, and abilities. It has therefore been advised that businesses investigate participative ways to develop career-related objectives for employees, design effective plans, implement these plans, and evaluate their effectiveness (Burke, & McKeen, 2014). Businesses with lots of training opportunities should have reduced turnover rates. Also, some studies have revealed a connection between training activities and retention and productivity (Khan, 2010).

### **2.2.5 Job Security**

Employee commitment to the organization is promoted by their confidence, which is created by employment stability. To some extent, job security requires reciprocity: first, an organization must make it clear that jobs are secure; second, once employees believe this to be true, they pledge to work harder for the benefit of the business; and finally, once an organization has realized that job security boosts performance, it reinvests in job security (Gondo & Amis, 2013). A conceptual framework for the origins and implications of job security was developed by Probst in 2002. Examples of antecedents include worker qualities, job requirements, organizational change, and changes in job technology. Your emotional and physical health, as well as your participation in union activity, organizational commitment, and job stress, can all be impacted by consequences. People's perceptions of their job security are influenced by their involvement in the workplace, cultural norms, and procedural justices.

According to empirical evidence, when employers do provide job security, their businesses perform better. Gondo and Amis, (2013) found that among other things, job

security has an indirect effect on operational performance through organizational commitment. Guest, (2011) confirmed this finding. According to Guest and Bos-Nehles, (2013) practices for managing human resources have been found to tangentially improve organizational performance. The results showed that job security was not just the most important predictor of HR outcomes but also a direct predictor of performance for non-managerial employees. The results also demonstrated a substantial link between merit-based management advancements and business performance.

### **2.2.6 Employee Retention**

The focus of this section is to discuss the rationale for employee retention and human resource management practices.

Employee retention attempts to keep qualified personnel on staff for the longest amount of time possible because they are one of the company's most important intangible assets. Employee retention is a strategy used by businesses to hold on to potential employees so they will remain committed to them for a longer period of time. More precisely, HR professionals must take a proactive approach to dealing with dysfunctional turnover (Wulansari et al., 2020). An important aspect of a company's success is how well it retains its employees. Globalization has been affecting the industrial sector and has altered how employees engage with their employers. So, when there is a high turnover rate, firms must discover measures to keep knowledgeable and skilled workers on staff (Diah et al., 2020). The biggest problem currently facing CEOs of large corporations is employee retention. A lack of qualified labor, poor economic growth, and frequent staff turnover are the causes of this problem. Studies from the past have shown how expensive it is for businesses to replace important employees. Businesses have reported, for example, that the costs of employing a new employee are equal to 50 to 60 percent of the person's first-year salary, and in some cases (due to the promotion of abilities),

this indicator may even reach a 100% rate. Another study found that replacing a talented employee might cost anywhere between 70% and 200% of their annual salary.

As a result, employers should value and reward their productive employees and make an effort to meet their needs in terms of work, family, education, and social contact. The benefits of maintaining key employees include the ability of the company to achieve its strategic business goals and acquiring a competitive edge over its current and former rivals. Keeping people on staff has benefits for customers, better services, reduced costs, less sensitivity, positive encounters, enhanced market share, and increased efficiency, to name a few (Karimi & Parsafar, 2017). Recruitment, promotion, and human resource initiatives are all important for retaining crucial employees inside an organization. Human resource policies have a direct impact on employee retention. Offering training on the goals and objectives of organizations, appropriate employee recognition, and how to use the reward system in each one can also help reduce the turnover of non-managerial staff (Yao et al., 2019).

Employee retention is the ability of an organization to keep its employees, especially the more skilled ones. The value of retaining employees has greatly increased. Retention, according to Kock & Ellström, (2011) is a voluntary activity a firm takes to create an environment that sustains employees' interest in it over time. Indeed, the main objective of employee retention is to prevent capable employees from leaving a company because doing so could have a detrimental effect on production and profitability (Elzette, 2012). An organization's capacity to keep highly engaged people depends on its success.

Numerous researchers have found costs associated with employee exits in terms of time, money, and other resources. Brown, (2011) estimates that the total cost of a



departing employee's salary and benefits to be at least one year's worth and, at most, two years' worth of pay and benefits. Also, for every ten managerial and professional employees that leave a company, the average company suffers a loss of \$1 million. On the other hand, (Tibelius, 2010) contends that while direct replacement costs can reach as high as 50 to 60%, the total costs of turnover can range from 90 to 200 percent of yearly income. This implies that it will cost a company a lot of money to hire a replacement for a departing employee. At now, there is a fierce competition for qualified human resources. Due to rising employment volatility and alternatives for job changes, it is more difficult to find and keep talented, high-performing people who will be the future critical employees of firms (Mahal, 2012). In order to mitigate these potential turnover-related difficulties, forward-thinking businesses must work to create a positive workplace culture through a variety of HRM initiatives.

### **2.2.7 Effects of Human Resource Management Practices on Employee Retention**

Businesses with strategic HRM effectiveness and either an elite or leadership value profile will perform better financially, according to a study by Buller and McEvoy, (2012) found a link between various high performance work methods and results at the organizational level. The concurrent application of many sophisticated human resource practices was assessed rather than focusing on a particular practice (such as staffing). He came to the conclusion that the level of sophistication of these procedures had a significant impact on turnover, organizational productivity, and financial performance.

According to Banks and Kepes, (2015), the creation of formal or informal policies has a variety of strategic repercussions that should have an effect on staff retention. Prior empirical research has shown that the implementation of effective human resource management strategies promotes employee retention and productivity. Important firm-level outcomes have been linked, in particular, to strategic hiring and training

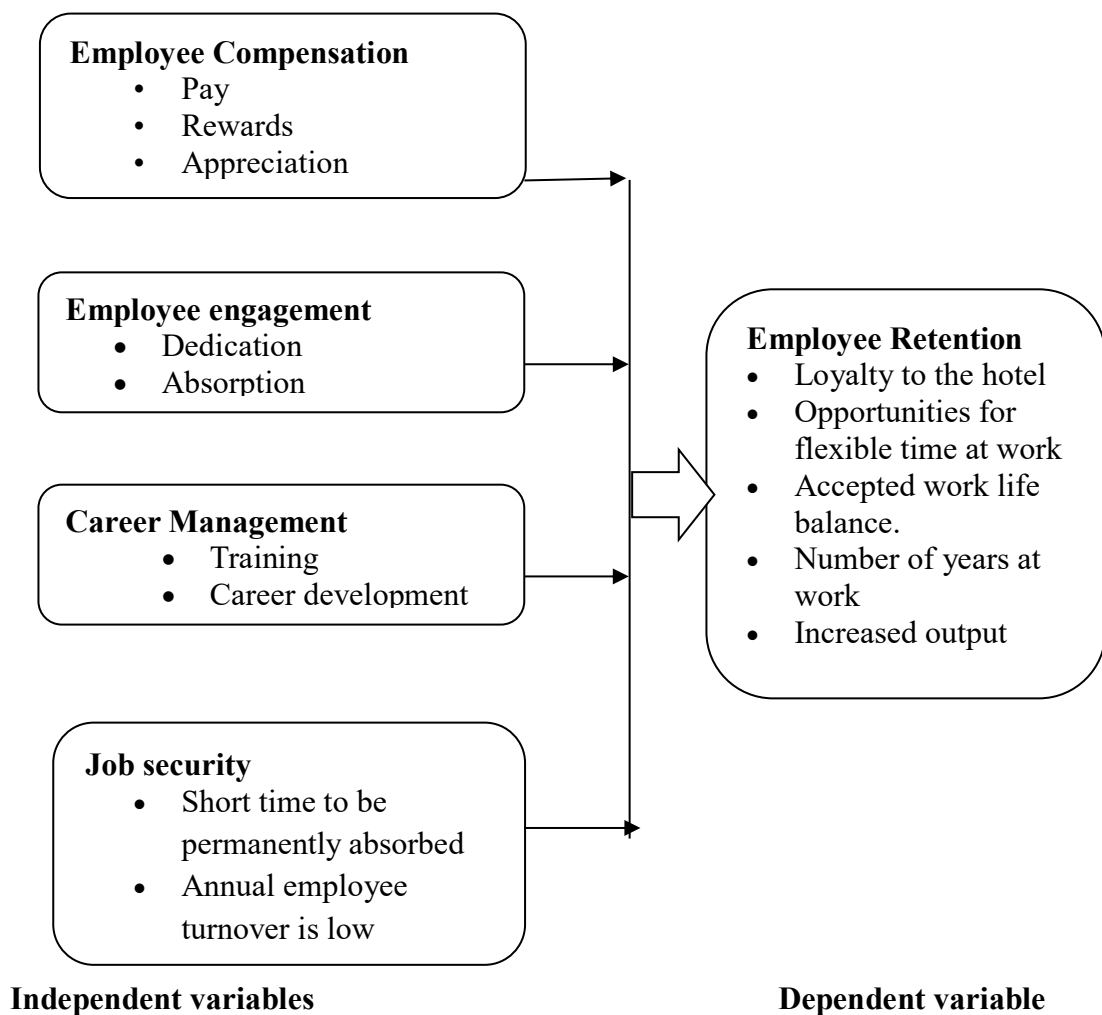
procedures, a positive work environment, labor-management participation initiatives, and performance evaluation, promotion, and incentive compensation schemes that recognize and reward employee talent.

### **2.3 Summary of Literature and Emerging Issues**

This chapter has covered literature review highlighting thematic areas to include theory issues and concepts where Abraham Maslow's theory, Herzberg Two Factor theory, Adam Equity theory and Social Exchange theory were covered. The proponents, the key tenets, their critique and their application were covered as an effort of indicating and approving their linkages to the subject matter of human resource management practices and employee retention. The section also covered the empirical literature as an effort of discussing past researches and investigation conducted in order to establish gaps in literature which were supposed to be filled by the current study. Some of the studies explored included that of Chepchumba et al., (2017) who conducted a study on the association between employee compensation and employee turnover in small enterprises among Safaricom dealers; Obianuju et al., (2017) investigated how commercial banks' employee retention was affected by pay management; Kimani et al., (2017) conducted a study to determine the effect of remuneration schemes on employee performance at Mombasa Cement Ltd who all of them covered human resource aspects with different dimensions of measurements and parameters. These studies were also covered in different settings hence no study was discovered in the hospitality industry specifically the hotels in Nairobi City County which resulted to current study in order to bridge the identified gap.

## 2.4 Conceptual Framework

The conceptual framework for the study contains dependent and independent variables. The independent variables are four human resource management practices. These include compensation, employee engagement, career management and job security practices. The dependent variable is employee retention. From the research topic, the level of employee retention is dependent upon the human resource management practices being pursued in the organization.



**Figure 1: Conceptual Framework**  
Source: Data, (2021)

## **2.5 Operationalization of Variables**

The process of operationalization involves reducing variables to precisely quantifiable components. The process provides definitions for fuzzy concepts and makes it possible to measure them empirically and quantitatively. This study operationalizes compensation, employee engagement, career management, and job security. Employee compensation includes any form of reward or benefit they receive in exchange for performing their tasks properly. Direct remuneration includes things like employee wages and salaries, incentive payments, bonuses, and commissions. Whereas indirect compensation is defined as non-financial benefits such as healthcare, life insurance, subsidized lunches, leave policies, overtime pay, pension plans, and transportation requirements. Employee remuneration is therefore the most important factor in luring and keeping talent. On the other hand, people work and remain in a company where they are respected and valued. At every stage of their professional careers, it is essential to engage and win over skilled and intelligent employees if you want to retain them. Additionally, skilled and seasoned workers boost output, raise the caliber of goods and services, influence positive process adjustments, and provide clients better service. The majority of businesses may use career management programs to assist their employees in efficiently planning their careers because it is believed that employees generally respond favorably to career development and advancement opportunities. Employees' perceptions of their work, whether positive or negative, can be categorized as part of their job satisfaction, which is influenced by both the organization's internal and external environments. Hence, job satisfaction including difficult work equitable compensation including pay and advancement opportunities the benefits of nice coworkers and suitable working environments increase employee retention.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Research methodology refers to the processes used by researchers to describe, clarify, and forecast occurrences. It offers a research's work schedule. The procedures that the researcher used to conduct the study are covered in this chapter. In particular, the discussion included the research design, target population, sampling process, data collection tool, data collection, reliability and validity, techniques of data analysis, ethical considerations, and presentation.

#### **3.2 Study Area**

This study was conducted in Nairobi City County. The capital of Kenya and the financial hub of East Africa is Nairobi City. Numerous international groups and businesses call it home. Nairobi, for instance, is home to the United Nations Environmental Program's headquarters. The county is frequently visited by visitors from all over the world, including international businesspeople, tourists, ambassadors from many nations, athletes, and performing artists from various fields and regions. Furthermore, Nairobi City is the favored residence area for Kenya's politicians, businesspeople, and athletes (Omondi, 2015). As a result of Nairobi's promotion of a wide range of extremely important activities, a number of first-rate restaurants and lodging facilities have been established to satisfy the fine dining needs of Nairobi's upper class. Regarding this, Nairobi City County is home to a number of three, four and five star hotels. The amenities and level of service that hotels provide impact their rating. However, as noted by Markey and McIvor (2018), the poor career resilience of employees in the hospitality sector, of which these hotels make up a significant portion, has had an impact on the sector's overall contribution to the economy. Workers choose

to work in hotels more as a means of subsistence than as a means of advancing their careers. Due to the poor career resilience in the hospitality sector as noted by Campbell and Burgess (2018), this study focused on the hotels in Nairobi City County as they are the apex of the hospitality pillar and largely influence the overall contribution of the sector to the economy.

### **3.3 Research Design**

According to Koontz, and Wehrich, (2012) a research design is a strategy, method, or framework for carrying out an investigation to obtain answers to certain research questions and manage variance. Being the researcher's guide for how to approach their research issues, a study design also provides the study's framework (Creswell, 2011). The explanatory research design was used in this study. The issue of employee retention and human resource management methods was defined with the help of this design. Also, this architecture enabled formulating conclusive conclusions and making recommendations based on them. Explanatory research methodology provides answers to why questions that aid in the development of causal explanations.

### **3.4 Target Population**

Creswell, (2011) defines a population as any collection of organizations, individuals, or things that share certain traits. The bigger group used in this study, or the population, is where the sample came from. For this study, the target population comprised of senior and middle level staff of 3, 4 and 5star hotels in Nairobi as at December 2016. According to the Kenya Association of hotel keepers and caterers (KAHC) there were approximately 148 hotels as shown in Table 2.

**Table 2: Number of Hotels**

Category(Star)	Number of hotels	Calculation of Population	Total Population respondents
5 star	33	33*2	66
4 star	31	31*2	62
3 star	84	84*2	168
<b>Total</b>	<b>148</b>		<b>296</b>

Source: KAHC, (2016)

### 3.5 Sampling

Mugenda and Mugenda (2013) defines sample as a smaller group drawn from the accessible population. This subset was carefully chosen to reflect the key characteristics of the entire population. In contrast, sampling is a method, process, or technique used to select a subset of a population to take part in the study (Creswell, 2011). The study adopted random sampling where Mugenda and Mugenda (2013) formula was used for calculating sample size of a population that is less than 10,000 by using Fisher's formula as below:

The sample size for the questionnaire research was obtained using the formulae

scientifically computed as follows:  $n = \frac{N}{1+N(e)^2}$

Where; e= Margin of error of 0.05

n=sample size and

N= target population size

Required Sample

$$n = \frac{296}{1 + 296(0.05)^2}$$

$$n = \frac{296}{1.74}$$

$$n=170$$

This study used 170 respondents as the sample size.

Purposive sampling technique was used to select the sample size where senior and middle level staff of the hotels were selected because they had enough information pertaining Human resources and also the confidentiality of the study area.

### **3.6 Data type and Collection Instruments**

This study employed primary data which was acquired through questionnaires (Muli, 2014). Both structured and unstructured questions were included in the questionnaires used in this study. For this investigation, a three-section questionnaire was created. One hundred and seventy (170) respondents were given the questionnaires. These respondents were targeted because they were responsible for policymaking and formulation in their respective hotels. The drop and pick approach was employed by the researcher to gather data. Data was gathered by questionnaires, both quantitative and qualitative. Information on the influence of human resource management techniques on employee retention in Nairobi City County hotels was gathered using questionnaires.

### **3.7 Data Collection Procedure**

The researcher obtained the relevant paperwork, including an introduction letter from the university, before the data collection process started. After receiving permission, the researcher personally gave the questionnaires to the 170 staff members from the 44 hotels who were chosen at random. As all of the chosen respondents were contacted on time, it was anticipated that using questionnaires would simplify the data gathering procedure. The goal of the study was outlined during the instrument distribution.



**Table 3: Measurement of Variables**

Hypothesis	Measurement	Analysis techniques	Interpretation
There is no significant effect of compensation on retention of employees in Hotels in Nairobi City County.	Quantitative Data 5 Point-Likert Scale	Correlation Y= retention of employees	Compute p Value given by SPSS. If $p \leq \alpha$ , then there is significant effect of compensation on retention of employees.
There is no significant effect of employee engagement on retention of employees in Hotels in Nairobi City County	Quantitative Data 5 Point-Likert Scale	Correlation	Compute p Value given by SPSS. If $p \leq \alpha$ , then there is significant effect of employee engagement on retention of employees.
There is no significant effect of training and development on retention of employees in Hotels in Nairobi City County.	Quantitative Data 5 Point-Likert Scale	Correlation	Compute p Value given by SPSS. If $p \leq \alpha$ , then there is significant effect of training and development and retention of employees.
There is no significant effect of job security on retention of employees in Hotels in Nairobi City County.	Quantitative Data 5 Point-Likert Scale	Correlation	Compute p Value given by SPSS. If $p \leq \alpha$ , then there is significant effect of job security and retention of employees.

**Source: Survey Data, (2018)**

**Note:** The level of extremeness required by alpha determines whether or not we can reject the null hypothesis. The data's extremeness is shown by the p-value. To evaluate whether the observed data statistically deviate from the null hypothesis, we compare the p-value with the alpha.

### 3.8 Validity and Reliability of the Questionnaire

#### 3.8.1 Validity

Validity is the extent to which theory and evidence support the interpretation of test findings that is suggested by the use of tests. A measurement of an instrument's validity is to what extent it measures what it is supposed to measure. Mugenda and Mugenda (2013) defined validity as the accuracy and importance of conclusions made from research findings. The degree to which the study's variables are faithfully reflected in the data analysis's findings. The study tool's content and face validity were both

verified. The content-related technique gauges how closely the test items corresponded to the areas of study.

### **3.8.2 Reliability**

The ability of a research tool to consistently follow particular features over time is referred to as reliability. It is the degree to which a research tool, after several trials, yields accurate results or information. When a person is evaluated twice by a researcher and obtains the same score on both times, the instrument is shown to be reliable (Mugenda & Mugenda, 2013). By calculating the Cronbach Alpha of the outcomes from the pretest study, the reliability of the questionnaire was assessed. The internal consistency of the data gathered from the surveys is evaluated using Cronbach's alpha. Excellent internal consistency is indicated by Cronbach's alpha  $\alpha > 0.9$ . 0.7 strong internal consistency and 0.9 Internal consistency ranges from 0.6 to 0.7 that is acceptable to 0.5 that is poor to 0.7 that is unacceptable (Cronbach, 1951).

Following that, reliability analysis was performed using Cronbach's Alpha, which assesses internal consistency by determining if a particular item on a scale measures the same construct. The study was benchmarked against the 0.7 Alpha value criteria set by (Newing, 2011). Every target was given a Cronbach Alpha to see if it would yield consistent findings if further research were done on it in the future. According to a study of the data, the most reliable factor was remuneration ( $r=0.882$ ), followed by employee engagement ( $r=0.804$ ), career management ( $r=0.763$ ), and job security ( $r=0.753$ ). This shows that all four scales were reliable because their reliability values were higher than the required cutoff of 0.7.

**Table 4: Reliability Coefficients**

Scale	Cronbach's Alpha	Number of Items
Compensation	0.854	8
Employee Engagement	0.802	10
Career Management	0.789	9
Job Security	0.761	7

**Source: Survey Data, (2018)**

### 3.9 Data Analysis and Presentation

Statistical Packages for Social Sciences (SPSS) version 21.0 software was used to code quantitative data, and descriptive and inferential statistics were used to analyze the data. Although inferential analysis used correlation, descriptive analysis used the mean and standard deviation. Data was presented using tables and charts (Newing, 2011). Also, the researcher used Analysis of Variance (ANOVA) to determine the overall model's significance at a 95% confidence level. O'Brien and Scott, (2012) to determine whether samples taken from a population have the same mean.

Moreover, correlation analysis a statistical tool that can be used to assess the degree of association between two variables was carried out to ascertain the strength of the relationships between the variables. Any potential for multi-collinearity among the study variables is found using correlation analysis. A correlation value of 0 indicates that the dependent variable has no influence on the independent variables. A correlation of 1.0, on the other hand, indicates a perfect positive or negative influence. The values were scaled from zero (no effects) to one (1.0). (perfect effects). The relative significance of each of the four variables in relation to employee retention was also determined using multiple regression. The multiple regression method is employed because it enables researchers to examine the nature of the relationship between

independent and dependent variables. Regression is able to calculate the coefficients of a linear equation comprising one or more independent variables and the dependent variable whose value was best predicted by those coefficients (Coben & Steiner, 2010).). Multiple regressions, according to Stuckey, (2013) are the best method for predicting multivariate associations since they automatically exclude any independent variables. This study employed the following model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y= Employee Retention

X<sub>1</sub>= Compensation

X<sub>2</sub> = Employee Engagement

X<sub>3</sub>= Career Management

X<sub>4</sub>= Job Security

### **Assumptions of regression analysis**

Regression analysis makes certain assumptions about the data and the model, and violating these assumptions can lead to inaccurate or unreliable results. The key assumptions of regression analysis are:

**Linearity:** This assumption states that the relationship between the independent variables and the dependent variable is linear. In other words, changes in the independent variables are associated with constant changes in the dependent variable when all other factors are held constant. This can be assessed by examining scatterplots or residual plots.

**Independence of Observations:** Each data point or observation should be independent of the others. This means that the value of the dependent variable for one observation should not be influenced by the values of the independent variables for other observations

**Homoscedasticity:** This assumption suggests that the variance of the errors (residuals) is constant across all levels of the independent variables.

**Normality of Residuals:** It is assumed that the residuals (the differences between the observed values and the predicted values) are normally distributed. Deviations from normality can affect the accuracy of confidence intervals and hypothesis tests.

**No or Little Multicollinearity:** Multicollinearity occurs when independent variables in the regression model are highly correlated with each other. This can make it difficult to distinguish the individual effects of each predictor on the dependent variable

**No or Little Endogeneity:** Endogeneity refers to situations where the independent variables are correlated with the error term. This can occur when there is a reverse causality problem or omitted variable bias. Addressing endogeneity often requires more advanced modeling techniques.

**No or Little Outliers:** Outliers are data points that significantly deviate from the overall pattern of the data. They can have a substantial impact on the regression model, particularly if they are influential outliers that strongly affect the regression coefficients

**Linearity of Model in Parameters:** This assumption implies that the model is correctly specified with the right functional form. Using the wrong functional form can lead to biased parameter estimates.

**No Perfect Multicollinearity:** Perfect multicollinearity occurs when one or more independent variables can be perfectly predicted from the others. This makes it impossible to estimate the coefficients of the variables involved.

### **3.10 Ethical Considerations**

Ethics in research has to do with the obligation of researchers to be truthful and respectful to everyone who will be impacted by their research projects or reports of their findings is known as ethics in research (Berg & Lune, 2017). Acquiring respondents' trust and their readiness to support the researcher's role is a positive step, but any research must be guided by the realization of the applicability of ethical norms (Ghooi, 2011). The researcher acquired an introduction letter from the Faculty of Tourism, Hospitality and Events Management, Moi University, to ensure that moral standards were observed.

### **3.11 Limitations of the Study**

One of the demerits of this investigation was the scope used. This has the resultant outcome that the findings cannot be over generalized. This investigation employed explanatory research design and it was required to adopt a number of inferential approaches in order to authenticate further the results analysed by the current research. The inquiry was also demerited on other components in that some research participants may have been dishonest or biased in giving answers. More research participants may have been required in order to increase representation in the study to permit for consistency of information. Nonetheless, in spite the demerits, the analysed results and present findings contain significant policy implications.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND DISCUSSION

#### 4.1 Introduction

This chapter presents the findings and discussion of the study and is organized as follows: The analysis of the response rate, descriptive statistics showing the respondents profiles and characteristics to show the degree to which data represents the population of interest.

#### 4.2 Response Rate

The researcher distributed 170 questionnaires, out of which 141 were received from the field. This represented an overall successful response rate of 82.9%. The rest (17.1%) consisted of those questionnaires that were never returned. According to Paul, Ivo and van (2013) a response rate of 21% – 70% is acceptable for self-administered questionnaires. It guarantees accuracy and minimizes bias. Vogel, Rodel and Lynch (2016) assert that when cross – sectional studies of survey design are conducted at the individual level, the expected response rate is 50%. They further argue that for those studies carried out at the organizational level, the appropriate response rate is between 35 – 40%. Therefore, the above response rate met this criterion hence it was appropriate for this study.

#### 4.3 General Information of the Respondents

##### 4.3.1 Gender of the respondents

The study sought to establish the gender distribution of the respondents. The analysis of the findings is as shown in Table 5 below.

Based on the analysis of the findings, majority (53%) of the respondents were male as opposed to their female counterparts who accounted for 47%. Thus, it can be concluded

that majority of the respondents of top management, middle level management and supervisory levels are male.

**Table 3: Gender of the Respondents**

Category	Frequency(N)	Percentage (%)
Male	75	53%
Female	66	47%
<b>Total</b>	<b>141</b>	<b>100%</b>

Source: Survey Data, (2018)

#### 4.3.2 Age of the Respondents

The study sought to establish the age distribution of the respondents. The analysis of the findings is as shown in Table 5. From the analysis of the findings, majority of the respondents 50% were aged between 40-49 years followed by 41% who were aged between 30-39 years. Moreover, the analysis of the findings revealed that 6% were 50 years and above while the remaining 3% were below 30 years. Therefore, from the analysis of the findings a majority of the respondents were above 40 years hence they had well versed experience to respond and give information with regard to human resource management practices and employee retention.

**Table 6: Age of the Respondents**

Category	Frequency(N)	Percentage (%)
Below 30 years	4	3%
30-39	58	41%
40-49	71	50%
50 years and above	8	6%
<b>Total</b>	<b>141</b>	<b>100%</b>

Source: Survey Data, (2018)



### 4.3.3 Highest Level of Education

The study sought to establish the highest level of education. The analysis of the findings is as shown in Table 6. From the analysis of the findings, it was revealed that majority of the respondents (38%) were university graduates with a bachelors' degree, followed by 34% who had college diplomas, 10% had masters and the remaining 18% had professional courses in their respective fields. Therefore, it can be deduced that most people who participated in the study had university education thus they were informed and had information to respond to human resource management practices and employee retention in hotels.

**Table 7: Highest Level of Education**

Category	Frequency(N)	Percentage (%)
Diploma	48	34%
Bachelor's Degree	54	38%
Masters	14	10%
Professional	26	18%
<b>Total</b>	<b>141</b>	<b>100%</b>

**Source: Survey Data, (2018)**

### 4.3.4 Current Position held by the Respondent

The study set to find out the current position of the respondents. The analyses of the findings are shown in Table 8.

Based on the analysis of the findings, majority of the respondents (45%) indicated that they were on middle managerial levels followed by 28% who were at supervisory level and the remaining 26% were in top level management respectively. Therefore, it can be concluded that majority of the respondents were from middle level management.

**Table 8: Current Position of the Respondents**

<b>Category</b>	<b>Frequency(N)</b>	<b>Percentage(%)</b>
Supervisory	40	28%
Middle level managerial	63	45%
Top level managerial	38	27%
<b>Total</b>	<b>141</b>	<b>100%</b>

**Source: Survey Data, (2018)**

#### **4.4 Compensation and Employee Retention**

Data was collected/gathered by making use of five point Likert scale where number one (1) =strongly disagree, number two (2) =disagree, number three (3) = moderate extent, number four (4) = agree and number five (5) =strongly agree. The questionnaire participants were required requested to specify agreement or disagreement levels with the product innovation indicators based on the five-point Likert scale. The Likert scale is preferred because it permits the research participants to express their views and perceptions on the extent of agreement or disagreement with a specific independent set statements. Of the five responses gotten contain a numerical value used to assess the attitude or perception investigated. The strongly agree or disagree have been employed to infer a variable which has a mean score of 0 to 2.5 on a constant Likert scale while to a moderate extent have been interpreted using a mean score of 2.5 to 3.4 on a constant Likert scale. Both agree and strongly agree have been interpreted using a mean score of 3.5 to 4.4 and 4.5 to 5.0 respectively on a constant Likert Scale. The standard deviation greater that 1.0(>1.0) denote a significance variation on the effect of the variable amongst the participants. The study sought to establish the level of agreement or disagreement on compensation and employee retention. The analysis of the findings is as shown in Table 9. This section presents the level of agreement or disagreement on compensation and employee retention. As shown in Table 9, the highest number of

respondents agreed that people who are hardworking and results-oriented are rewarded in the Hotel with a mean of 3.67738 and a standard deviation 0.47051 followed by those were satisfied with the number of annual leave days given by the organization with a Mean of 3.3546 and SD of 0.48010, staying in the organization because of the educational subsidies given by the organization recorded mean of 3.2199 and SD of 0.41563, being keen on their work because the rewards and benefits offered are comparable with what the market offers recorded a mean of 3.1206 and SD of 3.2678, earning more than others who occupied similar positions in the Hotel recorded a mean of 2.234 and SD of 0.42491, being enthusiastic about the work as the salary and benefits received in the organisation are commensurate with responsibilities recorded a mean of 2.1418 and SD of 0.54224, the salary and benefits received in the Hotel are commensurate with the responsibilities recorded a mean of 2.2837 and SD of 0.45239 and those who agreed that compensation is satisfactorily reviewed from time to time had a mean of 2.2837 and SD of 0.45239.

**Table 9: The Compensation and Employee Retention**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I earn more than others who occupy similar positions in this Hotel	141	2.2340	.42491
The non-monetary benefits, such as vacation time and medical insurance that I receive here are better than those I could get at other Hotels.	141	2.0851	.28003
People who are hardworking and results-oriented are rewarded in the Hotel	141	3.67738	.47051
I am enthusiastic about my work as the salary and benefits I receive in this organisation is commensurate with my responsibilities.	141	2.2482	.43352
The salary and benefits I receive in this Hotel is commensurate with my responsibilities.	141	2.1418	.54224
Compensation is satisfactorily reviewed from time to time.	141	2.2837	.45239
I am keen on my work because the rewards and benefits I am offered are comparable with what the market offers.	141	3.1206	.32678
I am satisfied with the number of annual leave days given by the organization.	141	3.3546	.48010
I stay in this organization because of the educational subsidies given by the organization.	141	3.2199	.41563

**Source: Survey Data, (2018)**

#### **4.5 Employee Engagement and Employee Retention**

The study sought to establish the agreement or disagreement on employee engagement and employee retention. The analysis of the findings is as shown in Table 10. The analysis of the findings revealed that supervision, recognition and value of staff ideas, suggestions and opinions had the highest level of agreement at 3.6383 and SD of 0.64671, followed by those planning to build career with the hotel with a mean of 3.6809 and SD of 0.70020, those prepared to put in a great deal of effort beyond what is normally expected in order to help the Hotel to succeed had a mean of 3.6383 and SD of 0.48221, those who reported that supervisors create a motivating and supportive

work climate had a mean of 3.5674 and SD of 0.60125, those who care about the success of the hotel had a mean of 3.5248 and SD of 0.50116, those proud to tell others that they are members of the Hotel had a mean of 3.1560 and SD of 0.36418, Those who responded that the Hotel recognizes and rewards employee loyalty had a mean of 3.3121 and SD of 0.46498, valuing the recognition and rewards that the hotel offers for the loyalty with a mean of 3.3121 and SD of 0.46498, communication across all levels in the Hotel is good with a mean of 3.4752 and SD of 0.50116 and feeling strong sense of belonging to the Hotel with a mean of 3.31135 and SD of 0.31830.

**Table 4: Employee Engagement and Employee Retention**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I care about the success of this hotel.	141	3.5248	.50116
This Hotel recognizes and rewards employee loyalty.	141	3.3121	.46498
Communication across all levels in this Hotel is good.	141	3.4752	.50116
I am proud to tell others that I am a member of this Hotel	141	3.1560	.36418
I am prepared to put in a great deal of effort beyond what is normally expected in order to help this Hotel to succeed.	141	3.6383	.48221
I feel a strong sense of belonging to this Hotel	141	3.1135	.31830
I value the recognition and rewards that this hotel offers for my loyalty.	141	3.3121	.46498
I plan to build my career with this hotel.	141	3.6809	.70020
My supervisors create a motivating and supportive work climate.	141	3.5674	.60125
My supervisors recognize and value my ideas, suggestions and opinions.	141	3.6383	.64671

**Source: Survey Data, (2018)**

#### **4.6 Career Management and Employee Retention**

The study sought to establish the extent of agreement or disagreement on career management and employee retention. The analysis of the findings is as shown in Table 11.

Based on the analysis of the findings in Table above, those who had received sufficient training in this Hotel to enable them do the job effectively had the highest mean of 3.8085 and SD of 0.39488, The respondents who agreed that the hotel has assigned a mentor who advises on career plans had a mean of 3.7305 and SD of 0.44528, whereas those who said that there are better career and learning opportunities in the Hotel as compared to others at had a high mean of 3.6950 and SD=0.46203, those who said they valued when the hotel sometimes sponsors them to participate in training programmes had a mean of 3.5603 and SD of 0.49812, the repeat, those that were satisfied with the training offered to them by the hotel had a mean of 3.5745 and SD of 0.49619, those who said the Hotel provides opportunities for staff training on a yearly basis had a mean of 3.5816 and SD of 0.49506, the respondents who reported that training they received for the current job was adequate had a mean of 3.5957 and SD of 0.49250, and those who enjoyed the training programs in the hotel had a mean of 3.5106 and SD of 0.50167.

**Table 11: Results of Career Management and Employee Retention**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I have received sufficient training in this Hotel to enable me do my job effectively.	141	3.8085	.39488
This hotel has assigned me a mentor who advises me on my career plans.	141	3.7305	.44528
This Hotel provides opportunities for staff training on a yearly basis.	141	3.5816	.49506
There are better career and learning opportunities in this Hotel as compared to others.	141	3.6950	.46203
My Hotel sometimes sponsors me to participate in trainings in this hotel	141	3.6099	.48950
The training I receive for my current job is adequate.	141	3.5957	.49250
I value how the hotel sometimes sponsors me to participate in training programmes.	141	3.5603	.49812
I enjoy the training programs in this hotel.	141	3.5106	.50167
I am satisfied with the training offered to me by this hotel.	141	3.5745	.49619

Source: Survey Data, (2018)

#### 4.7 Job Security and Employee Retention

The study sought to establish the influence of job security and employee retention. The analysis of the findings is as shown in Table 12.

**Table 12: Extent of Agreement or Disagreement on Job Security and Employee Retention**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Our jobs in the hotel are secure	141	3.3759	.48608
This Hotel have a signal of messages that jobs are secure	141	3.3050	.46203
Worker characteristics influences retention in this Hotel	141	4.1277	.33490
Job characteristics influences retention in this Hotel	141	4.4255	.49619
It takes a very short time to be permanently absorbed by this hotel	141	2.5674	.49721
The annual employee turnover in the hotel is relatively low	141	3.2340	.42491
There is a direct positive relationship between managerial promotions based on merit and Hotel performance	141	3.7305	.44528

Source: Survey Data, (2018)

Based on the analysis of the findings in Table 12 it was revealed that job characteristics influences retention in the Hotel with a the highest mean of 4.4255 and SD=0.479619 followed by those who agreed that worker characteristics influences retention in this Hotel with mean of 4.1277 and SD of 0.33490, There is a direct positive effects between managerial promotions based on merit and Hotel performance had a mean of 3.7305 and SD of 0.44528, those that said the Hotel had signal messages that jobs were secure had a mean of 3.3050 and SD of 0.46206, those who said the jobs in the hotel were secure had a mean of 3.3759 and SD of 0.0.48608, those who said the annual employee turnover in the hotel is relatively low had a mean of 3.2340 and SD of 0.42491, and those who said that it takes a very short time to be permanently absorbed by the hotel had a mean of 2.5674 and SD of 0.49721.

#### **4.8 Employee Retention**

The study sought to understand employee retention measures. The analysis of the findings is tabulated in Table 13.



**Table 135: Employee Retention**

<b>Statement</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
I plan to work in this hotel for as long as possible	141	3.1348	.34268
I remain in this hotel because my working life balances well with my family life	141	2.1560	.36418
I am committed to this hotel because it offers me flexibility as to when to start and end the day's work.	141	3.5957	.49250
I have stayed in this hotel because the volume of work that I have been assigned does not give me stress.	141	3.1064	.30943
I am loyal to my hotel as I can easily take time off for "home crisis" such as accidents or illness involving loved ones	141	3.6241	.48608
One of the major reasons I continue to work for this hotel is that another hotel may not match the overall benefits I have here.	141	3.7447	.43759
I am satisfied with this job as I have the time and energy to fulfill my responsibilities outside of work.	141	3.1844	.38919
I give better output for my work because the hotel offers a good work-life balance	141	3.2908	.45574

**Source: Survey Data, (2018)**

From the analysis of the findings majority of the respondents agreed that one of the major reasons they continue to work for their respective hotels was that no other hotel matches the overall benefits they receive with a mean of 3.7447 and SD of 0.43759, those who said that the hotel can easily give time off for "home crisis" such as accidents or illness involving loved ones had a mean of 3.6241 and SD of 0.48608, those who said they are committed to the hotel because it offered flexibility as to when to start and end the day's work had a mean of 3.5957 and SD of 0.49250, those who said they give better output for the work because the hotel offered a good work-life balance had a mean of 3.2908 and SD of 0.45574, respondents who said they were satisfied with the job as they have the time and energy to fulfill their responsibilities outside of work had a mean of 3.1844 and SD of 0.38919, those planning to work in the hotel for as long as possible had a mean of 3.1348 and SD of 0.34268, those who said they stay in the

hotel because the volume of work assigned does not give them stress had a mean of 3.1064 and SD of 0.30943 and other respondents said that they have remained in the hotel because working life balances well with my family life had a mean of 2.1560 and SD of 0.36418.

#### **4.9 Inferential Statistics**

This section presents a discussion of the results of inferential statistics. Correlation analysis was used to measure the strength of the effects between the independent variables i.e. the effects of compensation, employee engagement, employee management and job security and dependent variable (employee retention). Multiple regression was used to establish the effect of independent variables and the dependent variable and also to test the formulated hypotheses.

##### **4.9.1 Correlation Analysis**

The Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short) A measure of the strength of a linear link between two variables and is represented by the symbol  $r$ . Between +1 and -1 are the possible values for the Pearson correlation coefficient, or  $r$ . There is no link between the two variables, as indicated by a value of 0. If the value of one variable is greater than 0, there is a positive connection, meaning that as one variable's value rises, so does the value of the other variable. If the value of one variable is greater than 0, the value of the other variable is lower, indicating a negative connection.

Pearson's correlations analysis was used which was conducted at 95% confidence interval and 5% confidence level 2-tailed. The table below indicates the correlation matrix between human resource management practices and employee retention

**Table 14: Correlation Matrix**

	<b>Human Resource management practices</b>	<b>Employee retention</b>
<b>Human resource management practices</b>	1	.796**
Pearson Correlation	141	.022
Sig. (2-tailed)		141
N		
<b>Employee retention</b>	.796**	1
Pearson Correlation	.022	141
Sig. (2-tailed)		
N	141	

**Source: Survey Data, (2018)**

From the Correlations table 14, it can be seen that the correlation coefficient ( $r$ ) equals .796, indicating a strong relationship.  $P < 0.001$  and indicates that the coefficient is significantly different from 0. Therefore, we can conclude that there was a relationship between human resource management practices and employee retention. In particular, it seems that the more human resource management practices are adopted in hotels, the greater is the retention of employees ( $r = 0.79$ ,  $p < 0.001$ ).

#### **4.9.2 Multiple Regression**

Multivariate regression analysis was used to determine the effect between the dependent and independent variables. The following sections discuss the model summary, analysis of variance and regression coefficients.

#### **4.9.3 Model Summary**

The study analyzed the variations of employee retention due to the compensation, employee engagement, career management and job security. Adjusted R squared was 0.817; this implies that there was 81.7% variation of employee retention, due to the changes of compensation, employee engagement, career management and job security. The remaining 18.3% imply that there are other factors that lead to employee retention

which were not covered by this research. R is the correlation coefficient which shows the relationship between the study variables. From the findings, the study found that there was a strong positive relationship between the study variables as shown by .907.

**Table 15: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907 <sup>a</sup>	.822	.817	.18721

Source: Survey Data, (2018)

#### 4.9.4 Analysis of Variance

The analysis of variance (ANOVA) was used to determine whether the data used in the study is significant. From the ANOVA statistics, the processed data, which is the population parameters, had a significance level of 0.000 which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. The F calculated was greater than F critical ( $157.228 < 2.410$ ), this shows compensation; employee engagement; career management and job security significantly influence employee retention.

**Table 16: Analysis of Variance**

ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	22.042	4	5.510	157.228	.000 <sup>b</sup>
Residual	4.767	136	.035		
Total	26.809	140			

Source: Survey Data, (2018)

**Table 17: Coefficients of Regression Equation  
Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.498	.307		8.142	.000
Compensation	.269	.048	.261	5.648	.000
Employee Engagement	.171	.052	.196	3.321	.000
Career Management	.589	.053	.531	11.120	.000
Job Security	.294	.052	.326	5.598	.000

Source: Survey Data, (2018)

Employee retention depends on HRMP and can be expressed as follows;  $P=f(c)$  Where; P is employee retention C is HRMP.

Where employee retention was measured by overall benefits given, being loyal to the hotel, flexibility as to when to start and end the day's work and working life balances well with my family life while HRMP was measured by compensation, employee engagement, career management and job security.

The equation reveals that holding compensation, employee engagement, career management and job security significantly influenced employee retention as shown by constant = 2.498. Compensation is statistically significant to employee retention as shown by ( $\beta = .269, P = 0.000$ ). This shows that compensation had significant positive effect on employee retention. This implies that a unit increase in compensation will result to increase in employee retention. From the analysis of the findings, it was revealed that career management mostly affected employee retention as indicated by .589.

### **Employee engagement and Employee Retention**

Employee engagement is statistically significant to employee retention as shown by ( $\beta = 0.171$ ,  $P = 0.001$ ). This indicates that employee engagement had significant positive effect on employee retention. This implies that a unit increase in employee engagement will result to increase in employee retention.

### **Career Management and Employee Retention**

Career management is statistically significant on employee retention as shown by ( $\beta = 0.589$ ,  $P = 0.000$ ). This shows that career management had significant positive effect on employee retention. This implies that a unit increase in career management will result to increase in employee retention.

### **Job Security and Employee Retention**

Job security is statistically significant with employee retention as shown by ( $\beta = 0.294$ ,  $P = 0.000$ ). This shows that job security had significant positive effect on employee retention. This implies that a unit increase in job security will result to increase in employee retention.

Therefore, regression model was expressed as follows;

$$P = a + a_1x_1 + a_2x_2 + a_3x_3 + a_4x_4 + e$$

Where; a is the intercept coefficient of regression

$a_1, a_2, a_3, a_4$  are regression coefficients

$X_1$  – Compensation

$X_2$ - Employee engagement

$X_3$ - Career Management

$X_4$ - Job Security

e- Error term

The regression equation was

$$Y = 2.498 + 0.269X_1 + 0.171X_2 + 0.589 X_3 + 0.294X_4$$

#### **4.10 Hypothesis Testing**

##### **Hypothesis 1**

**H<sub>01</sub>: Employee Compensation does not significantly affect retention of employees in Hotels in Nairobi City County**

Research question one determined the effect of compensation on retention of employees in Hotels in Nairobi City County. To measure compensation and retention nine questions were included in the questionnaire. The results of analysis showed that there was significant effect of compensation and retention of employees in Hotels in Nairobi (=0.532). Thus, the null hypothesis was rejected that there is no significant effect between compensation and retention of employees in Hotels in Nairobi City County was rejected.

##### **Hypothesis 2**

**H<sub>02</sub>: Employee engagement does not significantly affect retention of employees in Hotels in Nairobi City County.**

Research question two sought to measure the effect of employee engagement on retention of employees in Hotels in Nairobi City County. In this case, ten questions were included in the questionnaire. The results showed the there was a strong positive effect on employee engagement and retention of employees (= 0.611). From the analysis of the findings, it can be concluded that there existed a strong positive effect between employee engagement and retention of employees. Therefore, the null hypothesis was rejected that there is no significant effect between employee engagement and retention of employees in Hotels in Nairobi City County.

### **Hypothesis 3**

**H<sub>03</sub>: Career Management does not significantly affect retention of employees in Hotels in Nairobi City County.**

Research question three sought to measure the effect of career management and retention of employees in Hotels in Nairobi City County. In this case, nine questions were included in the questionnaire. The results showed there was a strong positive effect between career management and retention of employees ( $= 0.905$ ). From the analysis of the findings, it can be concluded that there existed a significant positive effect between career management and retention of employees. Therefore, the null hypothesis was rejected that there is no significant effect between career management and retention of employees in Hotels in Nairobi City County.

### **Hypothesis 4**

**H<sub>03</sub>: Job Security does not significantly affect retention of employees in Hotels in Nairobi City County.**

Research question four sought to measure the effect of job security and retention of employees in Hotels in Nairobi City County. Seven questions were included in the questionnaire. The results showed there was a strong positive effect between job security and retention of employees ( $= 0.964$ ). From the analysis of the findings, it can be concluded that there existed a significant positive effect between job security and retention of employees. Therefore, the null hypothesis was rejected that there is no significant effect of job security and retention of employees in Hotels in Nairobi City County.



**CHAPTER FIVE**  
**SUMMARY OF FINDINGS, CONCLUSION AND POLICY**  
**RECOMMENDATIONS**

**5.1 Introduction**

The chapter discussed the summary of findings, conclusions and recommendations of the research study. This entailed a detailed explanation on the effects of human resource management practices on employee retention in Hotels in Nairobi City County. The study findings made an effort to provide a solution to the human resource management practices, recommendations of the study are discussed and suggestions for further studies were made.

**5.2 Summary of Findings**

The main purpose of this study was to establish the effect of human resource management practices on employee retention in Hotels in Nairobi City County. The study set to establish the demographic information of the respondents. The analyses of the findings revealed that majority of the respondents were male as opposed to their female counterparts. It was also revealed that most of the respondents who participated in the study were aged between 40-49 years and most of them were educated up to university. Most of the Hotels sampled were 4 star, followed by 5 star and then 3 star respectively. It was also revealed that most respondents were from middle level management.

The first objective of this study was to establish the effect of compensation on the retention of employees in Hotels in Nairobi City County. The analysis of the findings revealed that most respondents agreed that people who are hardworking and results-oriented are rewarded in the Hotel. Those who disagreed indicated that the non-monetary benefits, such as vacation time and medical insurance that they receive are

better than those they could get in other Hotels, that they were enthusiastic about their work as the salary and benefits they receive in the organization is commensurate with their responsibilities and that the compensation was satisfactorily reviewed from time to time. Moreover, it was revealed that to a neutral extent recorded that they earned more than others who occupy similar positions in the Hotel, that they were keen on their work because the rewards and benefits offered were comparable with what the market offered, that they were satisfied with the number of annual leave days given by the organization, and that they stayed in the organization because of the educational subsidies given by the organization. From the regression results, it was revealed that there was a positive relationship between compensation and retention of employees in Hotels in Nairobi as shown by ( $\beta = .269, P = 0.000$ ). The study's findings concur with those of Khan, (2010), who contends that effective systems of disbursement combined with comprehensive compensation and awards can help retain personnel while attracting top applicants and influencing employee behavior and performance. The study's findings concur with those of Buller et al., (2012) who discovered that HRM techniques were used to boost organizational performance by offering incentive plans to their respective staff.

The second objective was to investigate the effect of employee engagement on retention of employees in Hotels in Nairobi City County. From the analysis of the findings, it was revealed that they cared about the success of their respective hotels, that the supervisors recognized and valued their ideas, suggestions and opinions, that they prepared to put in a great deal of effort beyond what is normally expected in order to help their Hotel to succeed, that they planned to build their career with the hotel, and that the supervisors created a motivating and supportive work climate. Those who were neutral of the statements said that the Hotel recognized and rewarded employee loyalty, that

communication across all levels in the Hotel was good, that they were proud to tell others that they are members of their respective Hotels, that they had a strong sense of belonging in their respective Hotels and that they valued the recognition and rewards that their respective hotels offered them for loyalty. From the regression analysis, it was revealed that there existed a positive relationship between employee engagement and retention of employees ( $\beta = 0.171$ ,  $P = 0.001$ ). The study by Schwartz, (2011) found that an engaged employee understands the business context and collaborates with coworkers to enhance performance on the job for the firm. He goes on to say that engagement fosters a sense of loyalty in a hostile work environment and also raises employee trust, which in turn helps with retention. The study's findings are also consistent with those of Markos and Sridevi (2010), who claimed that employers are aware of the possibility of increasing employee engagement to produce a more effective and efficient workforce.

The third objective was to establish the effect of career management on retention of employees in Hotels in Nairobi City County. From the analysis of the findings, it was established that majority have received sufficient training in their Hotels to enable them do their job effectively, that their respective hotels have assigned mentors who advise them on career plans, their Hotels provides opportunities for staff training on a yearly basis, that there were better career and learning opportunities in their Hotels as compared to others, that their Hotels sometimes sponsored them to participate in trainings in the hotel, the training they receive for their current job is adequate, that they valued how the hotel sometimes sponsored them to participate in training programmes, that they enjoyed the training programs in their respective hotels and that they were satisfied with the training offered to them by their respective hotels. The regression results revealed that there existed a positive relationship between career management

and retention of employees in hotels in Nairobi ( $\beta = .589$ ,  $P = 0.000$ ). The study's findings are consistent with those made by Khan, (2010), who asserted that knowledgeable and highly qualified people increase productivity, improve the quality of goods and services, bring about positive improvements in procedures, and provide customers with superior service. He continued by arguing that training and development lead to both concrete results like increased productivity, high-quality goods and services, and resource optimization as well as intangible results like raised employee morale and satisfaction as a result of acquiring new knowledge, skills, and abilities. The results are consistent with Antoniu, (2010) assertion that an effective organizational career planning system may also inspire individuals to take more ownership of their own development, including the acquisition of skills deemed important to the organization. Yet, it must be mentioned that if employees are encouraged to stay longer and contribute to the organization's success, the financial benefits of training employees are more likely to be realized by the latter.

The fourth objective was to investigate the effect of job security on retention of employees in Hotels in Nairobi City County. Based on the analysis of the findings, it was established that the respondents who agreed recorded that job characteristics influenced retention in the Hotel, that the worker's characteristics influenced retention in the Hotel, and that there is a direct positive relationship between managerial promotions based on merit and Hotel performance. Moreover, the respondents were neutral on that their jobs in the hotel are secure, that the Hotels have a signal of messages that jobs were secure, that it takes a very short time to be permanently absorbed by the hotel, and that the annual employee turnover in the hotel was relatively low. From the regression results, it was revealed that there was a positive relationship between job security and retention of employees in Hotels in Nairobi ( $\beta = 0.294$ ,  $P =$

0.000). The interpretation of the results is consistent with Brown, (2015) contention that job security fosters an atmosphere of confidence among employees, which in turn cultivates their dedication to the improvement of the organization's staff. The study also confirms Ahmad and Schroeder's findings from 2003, which revealed that, among other things, job security has an indirect impact on operational performance through organizational commitment.

Also, it was revealed that one of the major reasons they continue to work for their respective hotels is that another hotel may not match the overall benefits they have, that they are loyal to the hotel as they can easily take time off for “home crisis” such as accidents or illness involving loved ones, and they are committed to the hotel because it offers them flexibility as to when to start and end the day’s work. Further, the correlation analysis revealed that human resource management practices were statistically significant to employee retention as shown by correlation coefficient ( $r$ ) which is equal to .796, indicating a strong relationship.

#### **5.4 Conclusion**

The main aim of this study was to establish the effect of human resource management practices on employee retention in Hotels of Nairobi City County. From the analysis of the findings, it can be concluded that compensation, employee engagement, career management and job security influenced employee retention in hotels in Nairobi City County. This was reflected by statement that people who are hardworking and results-oriented were rewarded in the Hotel. The study also concluded that they hotels cared about the success of their respective hotels. Also the study revealed that the supervisors recognized and valued their ideas, suggestions and opinions that they prepared to put in a great deal of effort beyond what is normally expected in order to help their Hotel

to succeed. Further, the study revealed that they planned to build their career with the hotel, and that the supervisors created a motivating and supportive work climate.

It was also concluded that most of the respondents had received training in their Hotels to enable them do their job effectively, that their respective hotels had assigned mentors who advise them on career plans, their Hotels had provided opportunities for staff training on a yearly basis, that there are better career and learning opportunities in their Hotels as compared to others, that their Hotels sometimes sponsor them to participate in trainings in the hotel, the training they received for their current job was adequate, that they valued how the hotel sometimes sponsored them to participate in training programmes, that they enjoyed the training programs in their respective hotels and that they were satisfied with the training offered to them by their respective hotels. From the correlation analysis, it was concluded that compensation mostly affected retention of employees in Hotels in Nairobi County.

### **5.5 Contributions of the Study to Knowledge**

Theoretically the study has added to Maslow's Hierarchy of Needs Theory to explain the effects of Human Resources Management practices and employee retention in hotels of Nairobi City County, Kenya. The study contributes in addressing the existing knowledge by showing the importance of employee compensation, employee engagement, career management and job security in the hotel industry in employee retention an area that has not been fully explored.

The study contributes by adding literature on the Human Resources Management practices- employee retention effects by filling the gap in the hotel industry Kenya. Further the study has also modified a measuring instrument from previous researches that can be applied in hotels to investigate factors influencing employee retention in the

hotel industry. This instrument could further be developed through additional statements concerning the identified factors or by adding other factors that are likely to influence employee retention in the hotel industry in Kenya.

### **5.6 Recommendations with Policy Implications**

The Government and the hotel industry needs to pay more attention to the HRM especially employee compensation which was found not be embraced by most hotels among the HRM practices under investigation, thus the Government and the hotel sector needs to put more effort in its endeavor in rewarding their employees by improving on both monetary and non-monetary rewards in order to motivate them and reduce their turnover intentions.

The Government and the hotel sector should make an effort to have regular surveys on employee turnover intentions and study the factors that lead to turnover intention and act on them so as to reduce employee turnover. Managers should design a system of pay, perks, and incentives that positively recognizes and rewards people for successful work. The government and the hotel industry should both implement a long-term, individual development-focused career planning framework to assist employees in outlining their future goals. Organizations must provide employees with both vertical and horizontal career planning opportunities so they can advance not only within the confines of their current positions but also fill and thrive in other roles.

### **5.7 Suggestions for Further Research**

From the current research findings, a number of suggestions are worth noting. Firstly, the scope of this study was hotels in Nairobi City County, Kenya. The contextual factors in the other regions and organizational factors in other organizations are not the same as the contextual factors in Nairobi region and organizational factors in other

organizations and will therefore differently influence the study variables. Therefore, similar studies can be conducted on other sectors in Kenya probably other organisations in the private sector. Studies can also be replicated in the other regions, to contrast any variations in regional characteristics. A national study can also be carried out on the influence of HRM practices on turnover intentions. Further, a study on the aspect of compensation should be conducted to find out the most effective ways to compensate employees in an organization in an effort to reduce turnover intentions.



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## APPENDICES

### **Appendix I: Cover Letter to Respondent**

School of Tourism Hospitality and Events Management  
Moi University  
P. O. Box 3900-30100  
Eldoret, Kenya

Dear Sir/Madam,

#### **Invitation to Participate in a Research**

I am a master's student at Moi University conducting a research on effects of human resource management practices on employee retention in Hotels of Nairobi City County. It is also expected that this study will help to identify factors which affect employee retention. This will assist managers to formulate appropriate human resource policies which will boost employee retention, performance and productivity.

I humbly request that you spare a few minutes off your schedule to complete the attached questionnaire. The questions seek your opinions regarding your hotels human resource management practices in relation to retention. There is no right or wrong answers; I just need your honest opinion. Your anonymity is assured and the information you provide will remain confidential.

Thank you for participating in this study. Your cooperation and contribution in this research is very much appreciated.

Yours faithfully,

Jackline Musembi

Tel. no.: +254722983521

Email:jacklinemusembi921@yahoo.com

## Appendix II: Research Questionnaires

Dear Sir/Madam

The purpose of this questionnaire is to collect information on the effects of HRM practices on employee retention in Hotels in Nairobi City County. This is only an academic exercise and you are assured of anonymity and confidentiality. Thank you.

### SECTION A: GENERAL INFORMATION

1. Gender of the respondents

Male ( ) Female ( )

2. Age of the respondents

Below 30 years ( ) 30-39 ( ) 40-49 ( ) 50 years and above

3. Highest level of education

Diploma ( ) Bachelor's Degree ( ) Masters ( ) Professional ( ) others (Please specify)

4. Length of service in your current organization: Please specify

.....  
 .....

5. Current position/rank:

Supervisory ( )

Top level managerial ( )

**SECTION B: COMPENSATION**

6. Please indicate the extent to which you agree or disagree to the following statements by ticking the appropriate response. 1=Strongly Disagree, 2=Disagree, Neutral/Moderate, 4=Agree and 5=Strongly Agree.

<b>No.</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1.	I earn more than others who occupy similar positions in this Hotel					
2.	The non-monetary benefits, such as vacation time and medical insurance that i receive here are better than those I could get at other Hotels.					
3.	People who are hardworking and results-oriented are rewarded in the Hotel					
4	I am enthusiastic about my work as the salary and benefits I receive in this organisation is commensurate with my responsibilities.					
5.	The salary and benefits i receive in this Hotel is commensurate with my responsibilities.					
6.	Compensation is satisfactorily reviewed from time to time.					
7.	I am keen on my work because the rewards and benefits i am offered are comparable with what the market offers.					
8.	I am satisfied with the number of annual leave days given by the organization.					
9.	I stay in this organization because of the educational subsidies given by the organization.					

### SECTION D: EMPLOYEE ENGAGEMENT

7. Please indicate the extent to which you agree or disagree to the following statements by ticking the appropriate response. 1=Strongly Disagree, 2=Disagree, Neutral/Moderate, 4=Agree and 5=Strongly Agree.

No.	Statement	SD	D	N	A	SA
1.	I care about the success of this hotel.					
2.	This Hotel recognizes and rewards employee loyalty.					
3.	Communication across all levels in this Hotel is good.					
4.	I am proud to tell others that I am a member of this Hotel					
5.	I am prepared to put in a great deal of effort beyond what is normally expected in order to help this Hotel to succeed.					
6.	I feel a strong sense of belonging to this Hotel					
7.	I value the recognition and rewards that this hotel offers for my loyalty.					
8.	I plan to build my career with this hotel.					
9.	My supervisors create a motivating and supportive work climate.					
10.	My supervisors recognize and value my ideas, suggestions and opinions.					

### SECTION E: CAREER MANAGEMENT

6. Please indicate the extent to which you agree or disagree to the following statements by ticking the appropriate response. 1=Strongly Disagree, 2=Disagree, Neutral/Moderate, 4=Agree and 5=Strongly Agree.

No.	Statement	SD	D	N	A	SA
1.	I have received sufficient training in this Hotel to enable me do my job effectively.					
2.	This hotel has assigned me a mentor who advises me on my career plans.					
3.	This Hotel provides opportunities for staff training on a yearly basis.					
4.	There are better career and learning opportunities in this Hotel as compared to others.					
5.	My Hotel sometimes sponsors me to participate in trainings in this hotel					

6.	The training I receive for my current job is adequate.					
7.	I value how the hotel sometimes sponsors me to participate in training programmes.					
8.	I enjoy the training programs in this hotel.					
9.	I am satisfied with the training offered to me by this hotel.					

## SECTION F: JOB SECURITY

7. Please indicate the extent to which you agree or disagree to the following statements by ticking the appropriate response. 1=Strongly Disagree, 2=Disagree, Neutral/Moderate, 4=Agree and 5=Strongly Agree.


<b>N o.</b>	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
1.	Our jobs in the hotel are secure					
2.	This Hotel have a signal of messages that jobs are secure					
3.	Worker characteristics influences retention in this Hotel					
4.	Job characteristics influences retention in this Hotel					
5.	It takes a very short time to be permanently absorbed by this hotel					
6.	The annual employee turnover in the hotel is relatively low					
7.	There is a direct positive effects between managerial promotions based on merit and Hotel performance					

**SECTION E: RETENTION**

8. Please indicate the extent to which you agree or disagree to the following statements by ticking the appropriate response. 1=Strongly Disagree, 2=Disagree, Neutral/Moderate, 4=Agree and 5=Strongly Agree.

No	Statement	SD	D	N	A	SA
1.	I plan to work in this hotel for as long as possible					
2.	I remain in this hotel because my working life balances well with my family life					
3.	I am committed to this hotel because it offers me flexibility as to when to start and end the day's work.					
4.	I have stayed in this hotel because the volume of work that I have been assigned does not give me stress.					
5.	I am loyal to my hotel as I can easily take time off for "home crisis" such as accidents or illness involving loved ones					
7.	One of the major reasons I continue to work for this hotel is that another hotel may not match the overall benefits I have here.					
8.	I am satisfied with this job as I have the time and energy to fulfil my responsibilities outside of work.					
9.	I give better output for my work because the hotel offers a good work-life balance					

### Appendix III: Request Letter for Research

  
**MOI UNIVERSITY**  
 ISO 9001:2008 CERTIFIED  
 SCHOOL OF TOURISM HOTEL & HOSPITALITY MANAGEMENT

Tel :0774282448  
 Fax No :(020)220247  
 Telex No: 35047 MOIVASITY

P. O. Box 63056-00200  
 Nairobi  
 KENYA

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Ref:MU/NRB/STHE/RF/45 17th January, 2018

**TO WHOM IT MAY CONCERN**

Dear Sir/Madam,

**RE:PERMIT TO CONDUCT RESEARCH AS A BONAFIDE STUDENT OF MOI UNIVERSITY**


In reference to the above JACKLINE TABITHA MUSEMBI no - MHM/02/12 is conducting her research for the award of Master degree of Hospitality Management.

We hereby request that you may facilitate in providing information related to her topic

EFFECTS OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE RETENTION IN HOTELS IN NAIROBI CITY COUNTY, KENYA

The results will be shared with you if need be and will only be used for this academic exercise.

Yours sincerely,

  
**MOI UNIVERSITY**  
 SCHOOL OF TOURISM, HOSPITALITY & EVENTS MANAGEMENT  
 NAIROBI CAMPUS

**PROF. MOSES OKELLO**  
**SCHOOL COORDINATOR**

## Appendix IV: NACOSTI Research Permit



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: 020 484 7000,  
0713 788780, 0735414245  
Fax +254-20-318245, 318249  
Email: dp@nacosti.co.ke  
Website: www.nacosti.go.ke  
When replying please quote

NACOSTI, Upper Kabete  
Off Walyaki Way  
P O Box 30623-00100  
NAIROBI-KENYA

Ref No. **NACOSTI/P/18/53990/21309**

**Date: 20<sup>th</sup> February, 2018**

Jackline Tabitha Musembi  
Moi University  
P.O. Box 63056-00200  
**NAIROBI**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on “*Effects of Human Resource Management Practices on Employee Retention in Hotels in Nairobi City County, Kenya*” I am pleased to inform you that you have been authorised to undertake research in Nairobi County for the period ending **20<sup>th</sup> February, 2019**.

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. the soft copy of the same should be submitted through the Online Research Information System.

*G P Kalerwa*

**GODFREY P. KALERWA Msc., MBA, MKIM  
FOR : DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner  
Nairobi County.



**THIS IS TO CERTIFY THAT.**  
**JACKLINE TABITHA MUSEMBI**  
**of MOI UNIVERSITY, 63056-00200**  
**Nairobi, has been permitted to conduct**  
**research in Nairobi County**

**Permit No : NACOSTI/P/18/53990/2-1309**  
**Date Of issue : 20th February ,2018**  
**Fee Received :Ksh1000**

**on the topic: Effects of Human Resource**  
**Management Practices on Employee Retention**  
**in Hotels in Nairobi City County, Kenya**

**for the period ending:**  
**20<sup>th</sup> February, 2019.**



.....  
**Applicant's**  
**Signature**

*J. Kalewa*

.....  
**Director General**  
**National Commission for Science,**  
**Technology & Innovation**

**Appendix V: Time Plan**

<b>WEEK</b>	<b>1</b>	<b>2</b>	<b>3-4</b>	<b>5-6</b>	<b>7-8</b>	<b>9-11</b>	<b>12-13</b>	<b>14-16</b>	<b>17-18</b>
Writing concept paper									
Meeting the supervisor									
Writing proposal paper									
Making correction on proposal paper									
Defense									
Data collection									
Data analysis and presentation									
Finalizing the project									
Binding final project									

**Appendix IV: The Budget Schedule**

<u>ITEMS</u>	<u>QUANTITY</u>	<u>COST(Kshs)</u>	<u>AMOUNT(Kshs)</u>
Printing papers	6 rims	350 each	4, 500
Spiral Binding	10 copies	100 each	1,000
Transport provision			10, 000
Phone calls			5,000
Printing proposal	6 Copies	850 each	5,100
Printing final project	6 Copies	850	5, 100
Binding Final Project (Hard Copy)	6 Copies	1,200 Each	7,200
Miscellaneous			10,000
<b><u>GRAND TOTAL</u></b>			<b><u>47,900</u></b>