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Accepted: May 15, 2024

DOI: <http://dx.doi.org/10.61426/sjbcm.v11i2.2978>

ABSTRACT

This study investigated the effect of compensation strategies on employee turnover in five star hotels in Nairobi City County, Kenya. A descriptive research design was adopted for the study. A sample size of 110 respondents (20% of target population) was included in the study. The study included a stratified random sample sampling technique with proportional allocation to each stratum, which were the five hotels at the time of September, 2019, and 556 employees working at the hotels at that time. The primary data was obtained through semi structured questionnaire. The study showed that the employees are paid overtime, bonuses, and that employees are relatively well-off compared to the other Hotels. According to the findings of the study, the majority of respondents agreed that job promotions are based on professionalism; changes in working environment are part of the promotion process; and job promotion slightly results in a change of position. The study also showed that employee policies within the hotel were unclear. It also found that younger age groups (regardless of gender) were more likely to move from one job to another compared to older age groups who had a high level of tenure in one job. The study also found that job promotions had no statistically significant impact on employee turnover at five star hotels in Kenya. The study also found that organisational culture had a moderate impact on employee turnover when it comes to remuneration strategy in five star hotels in Kenya. Recommendations were that it would be beneficial for firms to conduct a thorough evaluation of their wage structure with the aim of enhancing employee motivation, job retention, and overall performance. Organizations ought to prioritize the cultivation of positive relationships with their employees through the provision of attractive incentives, encompassing both monetary and non-monetary forms of compensation.

Key Works: Remuneration Strategy, Job Promotion Strategy, Compensation

CITATION: Odhiambo, E. A., Wainaina, L., & Makhamara, F. (2024). Compensation strategies and employee turnover among five star hotels in Nairobi City County, Kenya. *The Strategic Journal of Business & Change Management*, 11 (2), 1186 – 1201. <http://dx.doi.org/10.61426/sjbcm.v11i2.2978>

INTRODUCTION

Employee turnover has been a major issue in the service industry for a long time, especially in Hotels and by academics who study human resources issues. High turnover of employees has a negative impact on the quality of the products and services. Mok and Luk, (2016) found that high turnover of employees is a key labor issue in the hotel industry.. When we have high turnover of employees, there is always a significant need of replacement of employees and hence recruitment costs go up and this affects profitability. According to Denvir and McMahon (2017), employee turnover is 'not a one-off phenomenon', with 'multidimensional' factors such as low staff morale, poor work performance and absenteeism. Employee turnover is one of the challenges that is facing the organization and have impact in the performance of those organizations.

"The movement of workers to and from the organization is the definition of staff turnover (Denvir & McMahon, 2019). The amount of personnel movement inside and outside of a business is referred to as turnover, and it is commonly measured as the turnover rate (Chruden, 2017). Solnet et al. (2016) state that improved work environments, professionalism, customer satisfaction, and better service delivery are some of the main drivers of occupational mobility, in addition to higher compensation, which is considered as the motivation for people to leave their current occupations. Many firms have realized that addressing employee issues swiftly and competently reduces turnover dramatically. Employers use methods like paid sick days or other benefits to try and lower employee turnover rates, competitive pays, bonuses, job promotion rewards, insurance and work life balance, Wangui, (2018).

Remuneration is very important. In that s remuneration strategy comprises a combination of monetary and non-monetary remuneration, as well as long- and short-term incentives. A remuneration system is an essential factor in reducing employee turnover due to its ability to meet both financial and material requirements, Taylor, 2017. Salary

commensurate with employee skills together with job security is considered a vital personal factor that affects employee satisfaction at the company (Sitati, 2017). Kreitner (2014) suggests that the implementation of low salaries often leads to the termination of high-performing employees and the recruitment of lower-skilled personnel. Furthermore, Paying for employee holidays and offering comprehensive benefits like health, insurance and retirement plans send a strong signal to the workforce that they are valued. An enterprise can keep its personnel because, should they leave, they might not be able to find another employer that offers the same benefits. This study will measure remuneration strategy by looking at salaries that match with employee's work i.e. salary structures wages, payment for overtime. Pay structure is often expressed as a salary or job level that reflects the price of the task inside the external marketplace and the inner price of the company.

Job promotion strategy involves the transition within a company to a position where the responsibilities, tasks, and duties seem to be growing or shrinking. Employees that receive promotions are happier, and happier employees are more likely to stick with the company (Gomez, 2021). When assessing an employee's capacity to progress to a new position, an effective communication system should be in place to determine the gaps in the employee's resume that may prevent them from being considered for a promotion and what steps might be made to close them. (Prasad, 2021). Employees can be assured that the company is committed to their progress and development by receiving regular feedback on their performance. This feedback can be used to provide the employee with the necessary guidance to enhance their performance and secure a promotion Sangaran & Jeetesh, (2015). Employee promotion should be based on education, performance, and expertise, and should be done in a way that discourages employees from becoming involved in political activity in order to influence managers to reward and promote them. According

to Armstrong, (2016), justified job promotion strategies motivate employees to give their best effort possible, as they understand that good performance is rewarded. If employees perceive that job promotions in a company are not motivated by merit and are instead used as a form of favouritism, then they are likely to seek employment in other businesses where employee advancement is determined by actual, logical results.

Hotels in Kenya began at the coast, with the assistance of Arab traders and laborers constructing the Kenya-Uganda railway line. Their presence necessitated the construction of the first food and lodging institution on Kenya's coast, known as the Grand Hotel of Mombasa. It was constructed on the site of the current Manor Hotel. When the country fell under British colonial administration, the consequent necessity to connect Kenya and Uganda forced the creation of further dining and hotel facilities along the railway route. Such facilities were established in inland communities such as Nairobi, Nakuru, and Kisumu. Some hotels, such as the Norfolk in Nairobi, had achieved the international Five Star certification by the early 1960s. Kenya Utalii College began training the local community in the sector in 1975. Later, both public and private institutions would begin training in hospitality, albeit with varying curricula (Mayaka, 2015).

Kenya offers a wide selection of accommodations, with 485 of them licensed to international standards. However, the number of hotels registered with the Kenya Alliance for Hotelkeeper and Caterers (KAHC) is 213. These hotels provide a range of options to suit all tastes, with a focus on class, elegance, atmosphere and quality service. Kenya hotels are graded according to the star classification system. Hotels can be classified in a variety of ways, ranging from small-town establishments to five-star establishments in towns and beach resorts. The classification process is intricate, but includes things like the location of the hotel, the amenities it offers, the food's quality, the

size and decor of the bedrooms, and the breadth of services it provides. The Ministry of Tourism's Hotels and Restaurants Authority is in charge of the categorization procedure. This arrangement separates between five-star, four-star, and three-star-approved hotels, with ongoing oversight of the quality of services provided. Additionally, hotels can be categorised on the basis of their characteristics, including heritage hotels, beach resorts, wild resorts, government-approved hotels, residential accommodations, and commercial hotels (Ng'ang'a, 2019).

Statement of the Problem

Five-star hotels in Kenya have been shedding personnel at an alarming rate, and they are set to face much more pressure in the future, as skills required by businesses to thrive are already in short supply, (Mawule, 2019) Employee turnover is essential for several reasons: it is expensive, it has an impact on corporate performance, and it may become increasingly difficult to control (Allen, 2018).

Deloitte's Hospitality, 2019 report indicates that in the hotel business, staff turnover can reach 31%, and if the recession persists, that percentage might rise. At present, the Kenyan Five Star hotels are faced with the endlessly developing challenges of turnover as employees are leaving the hotels in large numbers. Onyango (2016) suggests that the high pace of employee turnover can be credited to some degree to a lack of professional advancement opportunities. among staff employed in Five Star hotels in the County of Nairobi. Furthermore, Muriithi (2016) points out that the hotel industry operates on a seasonal basis, with the peak season being followed by the off-peak season. As a result, hotels in the county experience a surge in business during the peak season, leading to a need for additional temporary staff to accommodate the influx of visitors. The technical staff are subsequently dismissed during the off-season when there are fewer visitors. Those who remain are not compensated fairly and are often eager to depart. Inadequate recognition is also a factor in the high

staff turnover rate, particularly for catering and housekeeping personnel. The current high staff turnover rate in the hotel industry is due to the high turnover rate of newly selected staff who leave the company within the first three months due to the lack of job satisfaction (Njue, 2017). The Five Star hotels have strategies in place that are not working or do not favour employees, hence losing talented and very competent employees. For instance, some of them have an elaborate compensation scheme in place and yet it is not followed to the later. Retention policy programs are only in policy and paper but employees do not benefit from it. Other issues that are causing employee turnover are low self-esteem due to poor recognition. Recruitment strategies are also in place and yet hoteliers end up recruiting staff that are not qualified for the jobs and who are always on the move, (Kitwaro, 2019). Several empirical studies have been carried out by other researchers; a study by (Chepchumba, 2017) on the employee remuneration and employee turnover in small enterprises among Safaricom dealers in Eldoret municipality, Kenya found that pay and recognition had a favorable effect on employee desire to leave. According to a study conducted by (Sitati, 2017) on compensation management methods for employee retention in the Kenyan hotel industry, compensation has a positive and significant impact on employee retention in the Kenyan hospitality industry, leading to high turnover. This contributes to reducing the rate. The findings of the research indicate that there exists a strong and noteworthy correlation between the acknowledgment of employees and their commitment to an organization within the domain of the hotel industry. Additionally, the investigation revealed that the reputation of a hotel plays a moderating role in influencing the effects of strategies pertaining to compensation management on employee retention in the Kenyan hospitality industry. The above study used hotel rating as a moderating variable while this study used organizational culture. The conceptual gap here is that it was also on retention while the current study was on employee turnover. Another study on pay

strategy and employee turnover conducted by Akhtar et al. (2015) on Higher Education institutions in Pakistan found a robust and non-negative link between compensation strategy and employee turnover. Contextual gaps in the need for more local research are identified by the study. This research was carried out outside of Kenya. Mwikali (2015) examined how human resource policies affect Kenyan public and private hospitals' nurse labor turnover. This study possess a contextual and conceptual gap in that the study was specifically on nurses and in both private hospitals. Additionally, it was on human resource practices while the current study was on compensation strategies. The above studies posses conceptual and contextual gaps and none of them specifically dealt with compensation strategies and employee labour turnover. Therefore, this study sought to fill the gap by investigating the effect of compensation strategies on employee labour turnover in Five Star hotel industry in Nairobi city county Kenya.

Objectives of the Study

The general objective of the study was to investigate the effect of compensation strategies on employee turnover in Five-Star Hotels in Nairobi City County, Kenya. The study specifically focused on the following;

- To establish the effects of remuneration strategies on employees' turnover in the five-star hotel industry in Nairobi City County
- To investigate how employee turnover in Nairobi City County's five-star hotel industry is impacted by job promotion strategies.

The study was guided by the following hypothesis;

- H_0 Remuneration strategies have no significant effect on employees' turnover in the Five Star hotel industry in Nairobi City County.
- H_1 Job promotion strategies have no significant effect on employees' turnover in the Five Star hotel industry in Nairobi City County

LITERATURE REVIEW

Theoretical Review

Equity Theory

In 1963, John Stacy Adams proposed the equity theory. This theory examines a person's intake and output to determine their equity. Equity theory looks at what drives workers to produce more and why they anticipate receiving particular kinds or quantities of compensation for their labors. Employees are most likely to perform at their best when the relationship between inputs and outcomes is equal. The theory explains the two possible forms of inequality—under- and over-reward—as well as how individuals would respond in each situation. Performance prediction and the impact of performance when an employee receives either excessive or insufficient compensation are two components of equity theory Cappelen et al. 2014.

Employees may become demotivated to perform if they compare themselves to others in the same department and discover that they are paid more. Equity theory is particularly relevant in this study because it has to do with the quartile compensation method, which determines an employee's pay according to their experience and expertise. It illustrates how pay parity for employees in the same quartile enhances productivity on an individual and group level. Human resource managers understand that there should be no instances of under- or over-reward in the workplace and that pay equity is necessary Cappelen et al, (2014).

Employees will be dissatisfied if they are not recognized or given incentives when they perform very well. As a result, they will not increase their inputs. Underrewarded workers get angry, dissatisfied, and resentful, which increases absenteeism, attrition, and a decrease in inputs. Cappelen and associates (2014). Moreover, the idea is applied to understand the various stages of employee unhappiness and how they can lead to

service withdrawal. This theory supported recognition and job promotion labour turnover variables.

Herzberg's two factor Theory

The theory, which was introduced by Herzberg in 1966, holds that there are two types of circumstances or factors that influence employees' motivation or job satisfaction. These elements are separated into motivators and sanitary aspects. The factors of hygiene reveal how workers relate to their workplaces, which influences how unhappy they are at work. Hygiene factors include the working environment, employee wages, interpersonal connections, and company policies and administration. Conversely, the motivational factors are associated with the employees' aspiration for career progression and influence their degree of contentment or drive in the workplace.

Motivators include a feeling of achievement, recognition, the task itself, accountability, progress, and chances for improvement. T. Enomoto (2014). Cole (2008) asserts that the theory of motivation proposed by Herzberg posits a bipartite model that advocates a sequential approach towards incentivizing the workforce. It emphasizes the importance of establishing comprehensive and sophisticated organizational policies that transcend elementary principles, as well as the presence of competent technical supervisors who facilitate a conducive work environment conducive to minimal stress. Additionally, it advocates for the provision of suitable and equitable remuneration packages to personnel, fostering an environment that fosters positive relationships between supervisors and employees, and finally creating good working conditions like comfortable offices and reasonable hours are the first steps in ensuring that employees are not dissatisfied Enomoto, (2014).

Herzberg's two-factor proposition states that the second step in motivating employees is to give them the freedom to accomplish difficult goals with little assistance, to acknowledge their efforts and give credit for their performance, and to give more responsibility to those who show they have what it

takes to handle it Alshmemri, et al, (2017). The process of motivating employees includes offering productive workers a career path with meaningful advancements, creating engaging and challenging jobs, and offering opportunities for learning, education, and training that support their professional development. To sum up, business managers and other leaders should remember that employees are driven primarily when they are not dissatisfied and subsequently when they are given incentives. Dartey, 2011. The idea was significant since it supported the variable of remuneration.

Empirical Literature Review

Mutuma (2013) investigated the impact of remuneration schemes on staff turnover in Kenyan private universities, using Kenya Methodist University as a case study. Examining compensation plans in relation to employee churn in Kenyan private institutions was the aim of the study and, ultimately, to make appropriate recommendations that would help reduce staff turnover in private universities. Data from a convenient and well-chosen sample of teaching and non-teaching personnel at the Methodist University campuses in Nairobi and Nakuru were gathered using the descriptive study approach. A total of 136 people were chosen at random. To collect information, self-created questionnaires were administered to respondents in person. Tables, frequency distributions, and percentages were used to analyze the acquired data. The statistical program for social sciences (SPSS) was utilized to facilitate the analytical process. In order to ensure the long-term commercial and financial viability of the company, human resource managers should strive to create a competitive compensation package that will aid in hiring, motivating, and retaining staff. Compensation plays a crucial role in keeping employees in any given business. The contextual gap here was this study was conducted in the Kenyan private universities and specifically Nairobi and Nakuru Methodist university campuses.

Goren (2018) conducted a research study at the secretariat of the Teachers' Service Commission

(TSC) located in Kisumu. The primary objective of the study was to investigate the effects of salary policies, methodologies, and prompt payment on employee attrition at the TSC office in Kisumu. The distribution of questionnaires to TSC employees was carried out using a rigorous sampling technique. It was revealed that timely payment, compensation regulations, and strategies all had a positive influence on employee turnover at the TSC office in Kisumu. Based on these findings, the study recommended the regular and unbiased conduction of performance appraisals, with a focus on promoting improved employee relationships and productivity; that management policies regarding remuneration should be adjusted to the current economic climate and employee experience; and that more discussions on the subject of on-time payment are needed in order to give workers interest-free financial aid when needed. The difference is that this study was done on Teachers' Service Commission (TSC) Secretariat, Kisumu indicating a contextual and conceptual as it dealt with the secretariat at TSC.

A study of the impact of pay components on staff turnover in the humanitarian sector was conducted by Akeyo (2017). In the inquiry, a descriptive survey design was employed. Employees of different NGOs registered with the four NGO coordinating agencies made up the study's population. Utilizing questionnaires, data was gathered, edited, dealt with blank responses, coded, categorized, and input into the SPSS computer program in order to prepare it for analysis. Frequencies, descriptive, and inferential statistics were produced using SPSS, and these results were then used to draw inferences and generalize about the population. The results of the study showed that one important element in explaining employee turnover was compensation. Suggestion for policy: The paper suggests that in order to reduce employee turnover, human resource managers should adopt competitive HR practices. For example, in order to account for the drawbacks related to staff turnover, it is advised that the management of non-governmental

organizations in Afghanistan do a market evaluation to ascertain the optimal compensation levels for NGO personnel. This study differs in that its population was selected from among employees of several non-governmental organizations (NGOs) registered with four NGO coordinating bodies in Afghanistan. The prior study focused on staff turnover in the humanitarian sector, whereas the current study was performed in five-star hotels. These were contextual and conceptual gaps.

Muketha (2018) sought to ascertain the ramifications of compensation on turnover within the Kenya Police Service. The target population of the study consisted of 86 disciplined uniformed officers stationed at the Laikipia Police Division headquarters. The entirety of the study participants were surveyed at the Laikipia Police Division headquarters. The researcher employed Pearson correlation and descriptive statistics to assess the hypothesis, utilizing SPSS version 22. The data was presented via tables and narratives. Salary and police turnover were shown to be significantly and strongly positively correlated. According to the research, in order to guarantee that police officers receive fair compensation for the services they give, the government should make sure that the scheme of services outlines how to do so. The difference is that this study was on conducted on Kenya Police Service and it was a census of Police division in Laikipia while the current study was on staff of Nairobi City County's five-star hotels. Here we have a contextual and methodological gap.

Abu (2018) investigated the association between job advancement and staff attrition in Rivers State's public hospitals. The variables were investigated using a cross-sectional survey in the study. The study's population consisted of two hundred and eighty (280) staff from twelve (12) hospitals in Rivers State. Using Krejcie and Morgan's (1970) table, the sample size for a given population was determined to be 162. The Cronbach to ensure the reliability of the instrument, an alpha coefficient with all item scores above 0.70 was used. Hypotheses had been examined using the SPSS and

Spearman's rank correlation coefficient. The findings showed that there is a superb and considerable dating among profession advancement and body of workers turnover in public hospitals in Rivers state. As a result, all previous hypotheses were rejected because the evidence showed significant levels of correlations in all cases. The study advised that public hospitals in Rivers State, Nigeria, encourage employee job promotion in order to reduce employee turnover. The difference is contextual in that it was done on staff of twelve (12) hospitals in Rivers State, Nigeria, although the present investigation was carried out in Kenya and on employees of five (5) star hotels.

In a Malaysian retail company, Rohani et al. (2012) looked into the impact of job advancement levels on employees' intention to leave. Using the Job Descriptive Index and Organizational employee turnover intentions, a questionnaire was created. 62 respondents' information was gathered using a questionnaire, Lee and Mowday's turnover intention items, and other sources. The research indicates that while respondents were not happy with their pay, they were generally content with other aspects of job progression, such as credentials, the work itself, and supervisors. They also had a low degree of loyalty and a strong wish to break away from the group. All components of career advancement were substantially and negatively correlated with intention to leave the company, with the exception of the task itself. Retention techniques for retail staff were suggested in light of the findings. The study poses a conceptual gap as it was on labour turnover intentions and contextual as it was conducted in Malaysia.

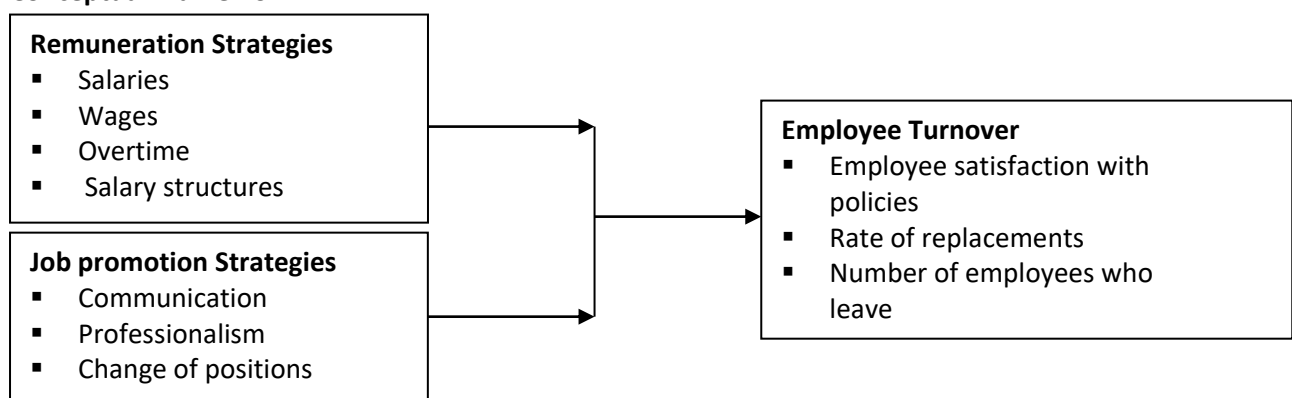
Johnston et al. (2011) investigated the association between job advancement and employee turnover utilizing a variety of work-related variables. A quasi-experimental approach that was longitudinal was used, utilizing 157 salespeople as the sample. The results confirmed connections between the internal

and external motion of the people. Organizational commitment, tendency to leave, advancement satisfaction, and compensation are a few important work-related attitudes that vary throughout time. In addition, groups of promoted stayers and non-promoted leavers showed significantly different levels of supervisor satisfaction, and time significantly affected every dependent variable but job anxiety. While the current study used a descriptive research approach, the prior study was a longitudinal study.

Ekabu et al. (2018) looked into how career promotion opportunities affected Meru County public secondary school teachers' intentions to leave their jobs. The study used analytic techniques, quantitative and qualitative data collection, and a descriptive survey methodology. The study included 520 people who took part. The connection between teacher promoting prospects and the dependent variable, turnover intentions, was investigated. The

results of the product moment correction showed that there is an inverse and negative relationship between the dependent variable, turnover intention, and the independent variable, promotion prospects ($r=-0.524$, p). The Chi-square study showed a substantial correlation between Meru County secondary school teachers' intentions to leave and their prospects for promotion, which validated the Pearson correlation results. The results show that secondary school teachers in Meru County have poor levels of desire and dedication to their work since there is little advancement and stagnation within a grade, which leads to high likelihood of teacher turnover. The disparities were both contextual and conceptual, as the previous study focused on job advancement chances and turnover intents of Meru County public secondary school teachers, whereas the current study focused on Five Star Hotels and labor turnover.

Conceptual Framework



Independent Variables

Figure 1: Conceptual Framework

Source: Author (2019)

Dependent Variable

METHODOLOGY

The positivist research philosophy was applied in this study which describes the body of knowledge that forms the foundation for significant presumptions and biases in a study. Both an explanatory and a descriptive research strategy were used in the study. The target audience was staff members of these hotels. There were 556

workers from the Intercontinental Hotel in the population, 116 from Radisson Blu Hotel Nairobi, 192 employees from Villa Rosa Kempinski, 42 employees from the Tribe Hotel and 24 employees of Hemmingway's hotel, giving a total of 556 employees. These were hotels that were members of Kenya's Hotelkeepers and Caterers Association (KAHC). A stratified random sample technique was

employed in this investigation, with a proportionate allocation to each stratum. When there is diverse data that does not fit into homogenous groupings, stratified sampling is used. A systematic sample is taken from each of the subgroups that the population is divided into based on shared features (Westfall, 2012). Because all hotel staff members operated in identical settings and conditions, the study's shifts were conducted there. In this case all the hotels, Intercontinental hotel, Radisson Blu hotel, Villa Rosa Kempinski, Tribe hotel and Hemmingway's. These hotels were chosen because of the unique features that they possess. They also have large bed capacity as compared to the other hotels not included in the study. Following that, simplified random sampling was employed to choose participants from every demographic group. The answers came from all three of her levels. Level 1 is senior management, Level 2 is middle management, and Level 3 is full-time/support staff. This allowed for accurate representation of all subgroups within the target population.

This survey drew on 20% of the target demographic, or 556 people from the five hotels. 110 people participated in this study. Primary and secondary data were used during the study. Secondary data was obtained from documents collected from KHAK library and private hotels. To gather primary data, a semi-structured questionnaire was employed. A survey is defined as a research tool that consists of a set of questions intended to gather information from participants (Mugenda & Mugenda, 2003). The questionnaire was distributed using the drop and

choose approach to provide respondents enough time to go through it and fill out the responses. A pilot study was used to determine whether the study can be carried out and give correct results (Cargun, 2017). The study used the Statistical Package for Social Sciences (SPSS) to make it easier to evaluate qualitative data by extracting and coding quantitative data. Both inferential and descriptive statistics were used to analyze quantitative data. Mean scores, frequencies, standard deviations, and percentages were used in descriptive statistics, while multiple regression analysis and correlation analysis were used in inferential statistics.

FINDINGS AND DICUSSION

Descriptive Statistics and Analysis

The results for the questionnaire items that were employed are described in this section. The study highlighted the participants' opinions on various assertions using statistical data like percentages, means, and standard deviations. The following levels of agreement are represented by the acronyms SD, D, N, A, and SA in this section: A comprehensive descriptive examination was carried out in order to meet every goal of the research.

Remuneration Strategies on Employee Turnover

The first objective of this study was to investigate the impact of remuneration strategies on employee turnover within the context of 5 Star Hotels in Kenya. In this study, a set of five statements was employed to assess the impact of remuneration strategies on the employee turnover.

Table 1: Descriptive Analysis on Remuneration Strategies

	Mean	Std. Deviation
Our employer pays a fair wage for the work I do	4.2809	1.02235
Our hotel's wages are adequate to suit staff desire.	3.9326	1.05311
I get paid by my company for working holidays and overtime.	4.1011	.69159
I receive performance bonuses from my employer.	3.6854	.73230
My pay is comparable to that of other hotels.	3.6966	.64675
Aggregate Score	3.9393	0.82922

Source: Researcher (2023)

According to the data presented in table 1, the aggregate mean was recorded as 3.93, while the

aggregate standard deviation was reported as 0.83. In the Likert scale, the mean represents the

response category "agree," while a standard deviation less than 2 indicates that there is little variation in the replies relative to the mean. According to the results, The majority of respondents concurred with the statement that they are paid fairly well which allows them to meet their daily needs with mean of 4.28 and 3.93 respectively. The study indicated that the employees were paid overtime (M=4.10), bonuses (M=3.68) and that employees were fairly remunerated compared to other Hotels (M=3.696). The study results clearly indicates that remunerations was a key to success of many Five Star hotels under study.

The findings are corroborated by a study by Mutuma (2019), which highlights the significance of

compensation in luring, keeping, and inspiring workers to sustain an organization's financial and commercial success. Thus, in order to draw in and keep employees, human resource managers must make every effort to provide an alluring benefits package. Additionally, Goren (2018) found that timely compensation, remuneration policies, and payment schemes had a positive effect on employee attrition. Additionally, Akeyo (2017) found that pay had a significant role in explaining staff turnover, while Muketha (2018) discovered a substantial positive relationship between pay and staff turnover.

Descriptive Statistics on Job Promotion Strategies

The study results on job promotion strategies were presented in Table 2.

Table 2: Job Promotion Strategies

	Mean	Std. Deviation
Job promotions are communicated to employees through internal means	3.9663	.99372
Information on job promotions is communicated to staff individually	3.4449	.83078
Job promotion is pegged on professionalism	3.8989	1.00051
Changes in working conditions are part of a promotion	3.9213	.89474
Job promotion gives rise change of positions	3.5618	.81121
Aggregate Score	3.7586	0.9062

Source: Researcher (2023)

The results shown in Table 2 show that the collective Mean average was 3.76, and the collective standard deviation was 0.91. The mean represents the "moderate" answer category on the Likert scale, while a standard deviation less than 2 indicates that there is little variety in the replies relative to the mean. As a result, the study results in Table 2 revealed that job promotions were communicated to employees through internal general means (M=3.97, STDEV=0.994). It was also clear that information on job promotions was moderately communicated to staff individually (M=3.44, STDEV=0.83). However, Majority of the respondents agreed that job promotion was pegged on professionalism, Changes in working conditions were part of a promotion and that Job advancement resulted in a moderate increase in position change, as reflected with mean value of 3.89, 3.92, and 3.56, respectively. The respondents added that increased job responsibilities, vertical

promotion and good communication strategies were the best job promotion strategies in the Hotel industry.

The results corroborate Abu's (2018) assertion that there is a strong correlation between employee turnover and workplace development. Rohani et al., (2020) discovered that respondents were fairly satisfied with job promotion aspects such as credentials, work itself, and supervisors but were dissatisfied with remuneration. According to Johnston et al. (2011), several important workplace attitudes change over time, such as organizational commitment, turnover tendency, satisfaction with promotions, and compensation.

Employee Turnover in Five Star Hotels

The section presents results on employee turnover in five star hotels in Nairobi City County, Kenya.

Table 3: Employee Turnover in Five Star Hotels

	Mean	Std.Dev
My employer encourages hotel staff to put in more overtime.	3.1775	.91673
Employees are always planning to leave the hotel.	3.8876	1.25624
Some employees choose to leave the hotel.	3.4247	1.47519
Many employees are forced to leave the hotel.	2.3708	1.19070
Employees are unsatisfied with policies in the hotel	3.9213	1.09984
The rate of replacing employees is high	3.9371	1.06540
Employee policies in the hotel are not clear	3.8674	1.02022
Aggregate Score	3.5123	1.1463

Source: Researcher (2023)

The aggregate mean value of 3.5123 indicates that a significant proportion of the participants moderately agreed with the given statement with low variation in responses. The study's conclusions show that a moderate percentage of businesses encourage their employees to work longer shifts at hotels (M=3.18), employees are always have intentions to leave the hotel (M=3.88) and some staff leave the hotel voluntarily (M=3.42). However, the study indicated that the employees were unsatisfied with policies in the hotel (M=3.92) where the rate of replacing employees was high (M=3.94, Stdev=1.065). The study also indicated that employee policies in the hotel were not clear (M=3.86, Stdev=1.02). The study's findings also found that variables such as training, experience, age, and promotion played significant roles in influencing the rate of labor turnover. The study revealed that individuals belonging to younger age

groups, irrespective of their gender, exhibited a higher propensity for job mobility when compared to their older counterparts who had accumulated significant tenure within a single occupation. In the present context, Wood (2019) observed that young individuals possess an inherent inclination towards transience, leading them to actively seek new employment opportunities that align with their aspirations.

Inferential Statistics Tests Results

Inferential statistics were performed using analysis on regression analysis and correlation. These were presented below:

Correlation Analysis

The relationship between the independent and dependent variables was examined using correlation analysis. The results are summarized in Table 4.

Table 4: Correlation Analysis

		Remuneration strategies	Job promotion strategies	Employee turnover
Remuneration strategies	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	89		
Job promotion strategies	Pearson Correlation	.118	1	
	Sig. (2-tailed)	.185		
	N	89	89	
Employee turnover	Pearson Correlation	.809**	.797**	1
	Sig. (2-tailed)	.000	.000	
	N	89	89	89

Source: Survey Data (2023)

The Pearson r value of remuneration strategies was 0.809, which is closer to 1 with a significant value of 0.00 less than 0.05, according to the results in Table 4. Therefore, this implies that remuneration strategies had a strong correlation with employees' turnover. The finding concurs with Goren, (2018), study on Teachers' Service Commission (TSC) Secretariat, Kisumu research demonstrated that payment methods, salary rules, and timely payments have had a positive impact on staff turnover at the Teachers Service Commission office in Kisumu.

The Pearson r value for career development strategies was 0.867, demonstrating that employee turnover and career development initiatives have a very significant linear relationship. Career development and career transition exploration in the food and beverage industry, Garcia-Martinez and Ify (2014) found that training was associated with the intention to leave the industry with a sample of 400 US workers.

The study found a significant correlation ($r=0.797$, $p<0.05$) between employee turnover and job promotion strategies. The results of Abu's (2018) study, which examined the connection between staff turnover and job promotion in Rivers State public hospitals and found a favorable, statistically significant relationship between the two, support the findings.

Employee turnover is significantly correlated with recognition strategies, as indicated by the significance value of 0.000 and Pearson r value of 0.770. Ndungu (2017) who studied the effect reward and recognition on staff turnover at Kenyatta University agree with this finding by discovering a significantly positive association between reward and recognition and employee turnover. Furthermore, there was a very positive and substantial link found between employee turnover and the independent factors (extrinsic rewards, intrinsic rewards and pecuniary incentives, recognition rewards, working environment, and leadership styles).

Table 5: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.631	.117		5.393	.001
Remuneration strategies	.738	.230	0.3154	3.209	.000
Job promotion strategies	.825	.227	0.3634	3.634	.001

The findings displayed in Table 5 demonstrate that when remuneration strategies, career development strategies, job promotion strategies and recognition strategies are held constant, the employees' turnover would be at 63.1%. The regression coefficient of remuneration strategies is 0.738 which represent the amount which the employees' turnover would be increased if remuneration strategies are increased by one unit. Similarly, a unit increase in career development strategies, job promotion strategies and recognition strategies would increase the employees' turnover by 80.9%, 82.5% and 79.4% respectively. Therefore, based on

this finding, multiple regressions equation is as follows;

$$\text{Employee turnover} = 0.631 + 0.738 (\text{remuneration strategies}) + 0.809 (\text{career development strategies}) + 0.825 (\text{job promotion strategies}) + 0.794 (\text{recognition strategies})$$

Test of Hypothesis One

An hypothesis that 'remuneration strategies have no significant effect on employees' turnover was tested. The t-value ($t= 3.209$, $p<0.05$) indicated a significant effect between remuneration strategies on employees' turnover. In addition, the level of significance was below the stated error margin at

0.000 Thus, rejecting the hypothesis and therefore, the study concluded that remuneration strategies have significant effect on employees' turnover. The results align with the research of Akeyo (2017), who examined the impact of pay components on attrition among employees in the humanitarian sector. The study's conclusions indicated that compensation played a critical role in explaining employee attrition.

Test of Hypothesis Two

The study tested the hypothesis that job promotion strategies have no significant effect on employees' turnover in the five star hotel industry in Nairobi City County was tested. The findings indicated that employee turnover was positively impacted by job promotion strategies, thereby refuting the hypothesis and supporting the conclusion that such strategies do have a noteworthy effect on employee turnover. In particular, there was a *t* value of 3.634 and a significance value of 0.001 for job promotion strategies. The results are in line with Mbuthia's (2014) study, which examined the impact of recognition on non-teaching staff job commitment in Kenyan public institutions and found that employee commitment and supervisory recognition were positively correlated. Recognition also had an effect on workplace engagement.

CONCLUSION AND RECOMMENDATIONS

The study aimed to examine the impact of compensation strategies on employee turnover in five-star hotels located in Nairobi City County, Kenya. The compensation strategies studied included remuneration strategies, career development strategies, of job promotion strategies and recognition strategies. The organizational culture was the study moderating variable. The study was carried in 5 hotels namely; Intercontinental Hotel Nairobi, Radisson Blu Hotel Nairobi, Villa Rosa Kempinski, The Tribe Hotel and Hemmingway's Hotel. Questionnaires were used to obtain information. The data were analyzed using both descriptive and inferential statistics. The results are summarized below.

The first objective of the study was to establish the effects of remuneration strategies on employees' turnover. The research revealed that the implementation of remuneration policies had a considerable impact on the rate of employee turnover. The findings of the study indicated that the employer provides an equitable remuneration for the employees, that the wages in the hotel are sufficient to cover the needs of the employees, and that the employer provides payment for overtime and vacation days.

The second goal of the study was to examine the effects of job promotion strategies on employees' turnover. The results of the study showed that staff turnover was significantly positively impacted by job promotion strategies. Hotels provide possibilities for talent development and career progression. Additionally, businesses provide opportunities for skill improvement and career advancement for all employees.

The research came into a conclusion that a well-thought-out remuneration strategy will attract the best talent on the market, reward good behaviour and inspire people to work towards the hotel's objectives and goals. A remuneration strategy helps hotels understand what and how they reward their employees, and it also helps them stay connected to other people's systems and policies. Paying for health benefits might benefit workers' productivity and efficiency since they are more efficient and productive workers. Offering extra money has the potential to both draw in top talent and increase the productivity and commitment of your current workforce.

The study concludes that job promotion motivates employees to do their best and makes them want to keep getting better at their job which leads to higher performance. By associating job promotion with performance, employers can motivate staff to work more and provide higher-quality results. An employee who is promoted is more likely to stick with the company. Additionally, it makes the employee feel more a part of the team. Hotels frequently use promotions to entice and retain the

best performers, and hotels appreciate and reward hard effort to recruit qualified personnel.

The study's conclusions serve as the foundation for a number of suggestions made. It is critical to guarantee that senior employees are consistently encouraged to collaborate with junior employees in order to foster human resource career development. It is imperative for hotels to acknowledge the significant contribution that senior employees make in enhancing hotel performance. The enhancement of productivity and effectiveness among junior employees can be achieved through the prioritization of job promotion, recognition, and remuneration, which are crucial responsibilities that senior employees should undertake.

It is imperative for hotel management to ensure the inclusion of these roles within the training and development programs designed for senior employees, while also providing them with the necessary resources and support to effectively fulfill these responsibilities. Furthermore, it is imperative for hotels to consider the distinct requirements and anticipations of both younger and older staff members. Although younger employees can contribute novel perspectives and ideas to the workplace, they may also exhibit a greater need for immediate recognition and demonstrate less patience in terms of advancing one's career.

The study further recommends that it would be beneficial for firms to conduct a thorough

evaluation of their wage structure with the aim of enhancing employee motivation, job retention, and overall performance. Organizations ought to prioritize the cultivation of positive relationships with their employees through the provision of attractive incentives, encompassing both monetary and non-monetary forms of compensation. In the absence of established remuneration systems within organizations, it is imperative to undertake extensive informative awareness and campaigning efforts. These initiatives aim to foster understanding and appreciation among the workforce regarding the importance of compensation for employees and other stakeholders within the cooperative entity.

Suggestions of the Study

The study was on compensation strategies and employee turnover in Five Star Hotels in Nairobi County, Kenya. The study suggests other studies to focus on other sectors such as Insurance, manufacturing and banking and investigate how compensation strategies affect employee turnover. A 69.7% variability of employee turnover was explained by remuneration strategies, recognition strategies, job promotion strategies and career development strategies. The study suggests further study to determine other remuneration strategy indicators that contribute to 30.3% changes in employee turnover in Five Star Hotels in Kenya.

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