Factors Influencing Labour Turnover in Three and Five Star - Rated Hotels in Nairobi, Kenya

Kuria, Samson; Wanderi, Peter; Ondigi, Alice, *International Journal of Humanities and Social Science*, 2012

Labour turnover continues to be a contentious issue in the hospitality industry. Employers see the process of staff leaving and being replaced as a natural and inevitable feature of the industry. Labour turnover represents direct cost to organizations. It affects organizational growth, profitability and customer satisfaction. Previous studies done on other parts of the world reveal this phenomenon as costly and subsequently create operational difficulties in the workplace. In Kenya, very little has been documented on labour turnover index rate and mobility rate within the hospitality and tourism industry. This paper is based on a study to be completed in April 2011. The main purpose of this study was therefore to determine labour turnover levels in three and five star-rated hotels in Nairobi city. Nairobi city has seven hotels which are classified as five star and nine hotels which are classified as three star hotels. The study adopted descriptive survey research design. Simple random sampling method was used to pick respondents for this study. The results indicated that, labour turnover higher (68%) in the three star-rated hotels compared to 13% in the five star-rated hotels. The results further indicated that, training, experience; age, promotions and the star-rating of the hotels were key factors in determining labour turnover. Major recommendations of the study are that, hotels should initiate employee retention programmes as human capital is the most valuable asset in all organizations. Subsequently, the hotel management to review the employees’ welfare conditions such as introducing flexible work hours to the employees in order to balance individual work and personal life among other incentives.