

**EFFECT OF PSYCHOLOGICAL CONTRACT ON EMPLOYEE TURNOVER  
INTENTION IN SELECTED HOTELS IN ELDORET TOWN**

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## DECLARATION

### DECLARATION BY THE STUDENT

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**DEDICATION**

This research is dedicated to my daughter, Zivah, for whom I live.

## ABSTRACT

Employee turnover is a common problem in the hospitality industry and it is not country specific. It accounts for employee turnover of between 60% and 300% annually in the Hospitality and Tourism industry. The main purpose of this study was to determine the effect of the psychological contract on employee turnover intentions. Specifically; to determine the effect of job security, to establish the effects of employee fair treatment, to examine the effects of employee engagement and to assess the effect of career development on employee turnover intention in selected hotels in Eldoret town. This study was guided by The Resource Conservation Theory, Maslow Hierarchy of Needs Theory, and The Expectancy Theory. A Cross-sectional research design was used. The study was carried out in selected rated hotels in Eldoret town. The target population was the non-managerial cadre of staff accounting for 374 employed staff. Stratified sampling was used to select the hotels that participated in this study. Proportionate random sampling was used to select 187 participants from the sampled hotels and a questionnaire was employed to gather data from respondents. Data was analyzed using Statistical Package for Social Sciences (SPSS) version 23.0. Descriptive statistics, standard deviation, percentages and inferential statistics were used in representation of data. Reliability of the data was checked by use of Cronbach Alpha coefficient test set at a value of at least 0.7. The coefficient of determination (R squared) was 84.9% indicating the proportion of variation in employee fair treatment, employee engagement career development and job security. The research found that the objectives of Employee fair treatment ( $\beta= 0.296$ ,  $p= 0.025$ ), Employee engagement ( $\beta= 0.593$ ,  $p= 0.003$ ) career development ( $\beta= 0.640$ ,  $p= 0.000$ ) had a P value of  $<0.05$  hence the three null hypotheses were rejected. While job security ( $\beta=0.050$ ,  $p=0.286$ ) failed to reject as p value was  $> 0.05$ . The study concluded that in the sampled hotels, management did not ensure there was fair treatment of employee, the employees were hardly engaged on matters affecting them. There was also no career development programmes to help employee have a career path and lastly job security was not assured. The study recommends Hotels management should have good leadership practices and to operate in a healthy culture where employees are fairly treated and engaged on issues that affect them and are assured of job security. They should also improve on training offered to employees to develop their careers. Lastly, it recommends replication in non-rated hotels in Uasin Gishu county to receive a complete regional picture.

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**LIST OF ABBREVIATIONS, ACRONYMS AND SYMBOLS**

|                |                                                           |
|----------------|-----------------------------------------------------------|
| <b>ANOVA</b>   | Analysis of Variance                                      |
| <b>CD</b>      | Career Development                                        |
| <b>EE</b>      | Employee Engagement                                       |
| <b>EFT</b>     | Employee Fair Treatment                                   |
| <b>GDP</b>     | Gross Domestic Product                                    |
| <b>HR</b>      | Human Resource                                            |
| <b>JS</b>      | job Security                                              |
| <b>KNBS</b>    | Kenya National Bureau of Statistics                       |
| <b>NACOSTI</b> | National Commission for Science Technology and Innovation |
| <b>PC</b>      | Psychological Contract                                    |
| <b>SPSS</b>    | Statistical Package for Social science                    |
| <b>VIF</b>     | Variance Inflation Factor                                 |
| <b>WTTC</b>    | World Travel and Tourism Council                          |
| <b>WTO</b>     | World Tourism Organization                                |

## OPERATIONAL DEFINITION OF TERMS

The terms described in this section were as used in the research.

**Career development** - is used to denote the process that enables an employee to better understand and develop career skills and interest and to use these skills effectively to grow within the rungs of the company.

**Employee engagement** - means the emotional and intellectual commitment an employee expresses toward his/her job that frequently results in the employee exerting additional effort.

**Employee fair treatment** - involves upholding human rights in the work place where management accords its employees befitting attention.

**Hotel** - an establishment that offers paid lodging and feeding on a short term basis

**Job security** - denotes the assurance of job continuity in a secure environment both physically and psychologically.

**Psychological contract** - this study adopts Armstrong's (2014) definition as an unwritten expectation that encompasses the action employees believe are expected of them and what responses they expect in return from their employers and the action employers believe are expected of them and what responses they expect in return from their employees.

**Turnover intention** - this is used to mean the state of mind of an employee that makes him/her ready to quit his/her job because of some unfulfilled conditions.

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## **CHAPTER ONE**

### **INTRODUCTION**

This chapter takes a look into background of the study, statement of the problem, purpose of the study, research hypothesis, significance of the study, limitation and scope of the study, which guided the study.

#### **1.1 Background of the Study**

The hospitality industry is a vast field of categories that offer numerous services including accommodation, dining, meetings and the bar. The creation and delivery of services from the hotel to the customer are dependent on the employees. These services must be of a level that satisfies customers. Faldetta, Fasone, and Provenzano (2013) point out that the success of this industry primarily depends on the recruitment, management, and retention of employees. The hospitality industry must therefore have a client-centered culture whose employees are made to understand that customers have needs that employees should strive to satisfy them.

The World Travel & Tourism Council's (WTTC 2018) research reveals that the Tourism sector accounted for 10.4% of global GDP and 319 million jobs, or 10% of total employment in 2018. The division of overall spend is firmly weighted towards the leisure market, which represented 78.5% of the total compared with 21.5% for business spend, and the sector accounted for 6.5% of total global exports and 27.2% of total global service exports. The sector contributes 24.3 million jobs in Africa accounting for 6.7% in employment. According to the Tourism Regulatory Authority report of 2018, The travel and Tourism industry in Kenya grew by 5.6% ahead of the global average of 3.9%. This contributed 8.8% to Kenya's GDP. This industry is responsible for 8.3% of all Kenya's employment or 1.1 million jobs.

Despite these impressive figures of employment, it is one of the industries with a high employee turnover rate Hemdi and Rahman (2011). Reduction of the employee turnover rate could help stabilize the hospitality industry and uplift the economy. Globalization has created business opportunities for investors that are beneficial for the hospitality industry Grjobelna (2015). Various factors have been attributed to high levels of employee turnover. Among them, the assumption that Tourism and Hospitality jobs are for unskilled or semi-skilled. As such, these jobs are considered to be of lower status and performed by people of equally low status Guerrier (2009). This was affirmed by Riley (1996), who stated that 64% of jobs in the Tourism and Hospitality sector are held by either semi or unskilled labour. Owners of hotels may cherish this because of low investment they spend on such staff but in the long run their businesses may fail to attract customers due to low quality services. Unskilled or semi-skilled staff could be a burden to the hotel because their interaction with customers is low level. Their deficiency in interpersonal skills may lead to loss of business because customers are not encouraged to make return visits.

In Kenya, the hotel industry falls short of the industry turnover average worldwide, but still leads locally in employee turnover, (Republic of Kenya Economic Survey, 2004). However, Kuria (2011) states that high turnover rate in the hotel industry is not country-specific but rather a worldwide phenomenon.

There has been an increased mobility of labour in this industry, as a result of globalization and Wendover (2010) argues that, hiring skilled personnel is hard and keeping them can be even harder. It takes time to go through the process of hiring and training a worker to meet an organization's immediate needs only. They have to be

successfully trained and given the necessary guidance for long-term aspirations of the organization. According to Tourism Regulatory Authority (2018) there are 112 licensed hospitality establishments in Uasin Gishu. However, most of the hotels in Eldoret town are non-rate. Ongori (2007) advises owners and their managers to find ways to mitigate the effects of employee turnover by understanding the contents of psychological contract and avoid breaches of the psychological contract variables to minimize employee turnover at all costs.

Literature regarding turnover intention according to Su (2014) suggested that the terms of employment for example an individual's career growth and job security were crucial determinants that caused employee turnover intention. The employees have to consider their career growth path within the organization as a precursor to a withdrawal reaction that may be the way the employee can be able to manage their stressors.

In 1989, Wood and Macaulay conducted a study to determine the reasons why employees in the hospitality industry keep leaving their jobs. Their findings indicated that lack of quality supervision, inadequate communication from management, unclear terms and conditions of service, lack of clear cut definition of responsibilities, lack of promotional opportunities and nonexistent occupational safety are some of the reasons for employees to harbor intentions to leave their jobs. These reasons point at the breach of the psychological contract on the part of management of organizations in this industry. It is not surprising, therefore, to find that most employees perceive their jobs as merely transitory as they seek work-life elsewhere. They may see that their jobs lack career structure hence leading them to a dead end.

Guerrier (2009) points out that there is a general assumption that tourism and hospitality jobs are for the unskilled or semi-skilled and thus considered jobs of low status in the

society and performed by people of low status for low wages. This could explain the lack of observation of the contents of the psychological contract by hospitality managements because when one staff leaves, it does not cost the hotel much to find a replacement. Kyule (2010) state that it is not unfamiliar to visit a specific hotel and find a set of employees serving but on your return visit you will find a completely new set of employees serving. It is like the managements have adopted 'let-her-go-we-will-find-a-replacement' attitude.

Accodung to the UasinGishu Tourim Integratedd Development plan (2013-2018), Uasin Gishu county lacks up market tourism class facilities in the range of 4 star and 5 star hotel facilities. Currently, the county has a few 3 star and below rated facilities which do not meet the needs of the top notch traveler. To increase competitiveness, Uasin Gishu County frataenity must be encouraged to build more up market hotels and or refurbish existing facilities to meet 4 and above star ratings.

Eldoret is a fast-growing commercial and educational town in Kenya. It boasts of housing several university campuses that have local as well as international students and staff. It is a home of international athletes who occasionally organize athletics meetings and competitions that attract visitors from all over the world. It is an important transit town for the East and Central African region. The town should, therefore, be a thriving centre for hospitality businesses. The last decade or so, has indeed witnessed the springing up of decent and aesthetically attractive hotels.

### **1.3 Statement of Research Problem**

In the recent past, according to Kuria, Alice and Wanderi (2012) the hospitality industry has experienced rapid growth given the rise in number of new entrants in the market.

Demand for labour has risen and the result has been high employee turnover at the lower levels especially in low budget hotels.

Most hotels in Eldoret town fall in the low budget, non-rated category hence likely to experience large number of staff leaving their jobs. Woods and Macaulay (1991) argued that larger deluxe hotels had a lower turnover rate than the smaller budget hotels. This formed the basis of this research being conducted in Eldoret town where the most hotels fall under the smaller budget hotels.

Employee turnover is detrimental to organizational performance and profitability, with Holston-Okoe (2017) arguing that it leads to loss of diverse financial and intellectual resources and assets. Care should be taken to communicate perception of the new hire going hand in hand with the perception of the reality in the psychological contract (Hemdi and Rahman 2010).

The general problem addressed in this study was that psychological contract affects turnover intention of employees in the hospitality industry. The specific job security, employee engagement, employee fair treatment and career development does lead to employee turnover intention. Management do not know the relationships between employee compensation, employee engagement, employee motivation, job satisfaction, work environment, and employee turnover.

The hotel industry must have a stable, human resources pool who understand the needs of customers well enough and strive to satisfy them. Thus, the success of the industry depends on the recruitment, management and retention of employees. To assure desired level of services to the customer, an employee must have a proper perspective of his/her employment contract. This is possible when both the employee and the employer have a positive understanding of the elements of the psychological contract. This understanding

will in turn minimize the turnover intentions that employees may have. It is important for an employer to recognize that employees have expectations that need to be addressed. The psychological contract then becomes a give-and take undertaking by both sides of the employment contract.

Trying to understand the elements of the psychological contract and how they affect turnover intentions of employees. The study sought to look at the individual elements of the psychological contract and tried to determine how each relates to and affects employee turnover intentions within the selected hotels in Eldoret town.

#### **1.4 Purpose of the Study**

The main purpose of this study was to determine the effect of psychological contract on employee turnover intention in hotels within Eldoret Town, Kenya

##### **1.4.1 Objectives**

- a) To determine the effect of job security on employee turnover intention in hotels
- b) To establish the effect of employee fair treatment on employee turnover intention in hotels
- c) To examine the effect of employee engagement on employee turnover intention in hotels
- d) To assess the effect of career development on employee turnover intention in hotels

##### **1.4.2 Research Hypothesis**

H<sub>01</sub>. There is no significant effect of job security on employee turnover intention in hotels

H<sub>02</sub> - There is no significant effect of employee fair treatment on employee turnover intention in hotels

H<sub>o3</sub> - There is no significant effect of employee engagement on employee turnover intention in hotels

H<sub>o4</sub> - There is no significant effect of career development on employee turnover intention in hotels

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

This study will be of practical as well as theoretical significance. Its practical significance lies in the fact that owners and managers in the hospitality industry may find it handy in their formulation of procedures to address the psychological contract elements for the benefit of their employees. Its results would be used in undertaking programmes to reduce employee turnover intentions and cut down on the costs in recruiting and training of new hires. This is important because hotel owners need to initiate employee retention programmes as human capital is one of the most valuable assets of an organization.

At the theoretical level, this research will be of benefit to researchers who intend to undertake studies in the hospitality industry regarding the human resources job satisfaction levels. It will also be of importance to future researchers who may wish to expound further on the issues of psychological contracts and their relation to hotel employee turnover intentions. Its theoretical significance also lies in the fact that it will add to the literature on the effect of psychological contract in the hotel industry.

### **1.6 Limitation of the Study**

The main limitation to the study was the respondents' response rate. Some respondents did not answer all questions. The other limitation relates to the generalizability of the findings of this study will be limited to hotels in Eldoret town only and not beyond.

### **1.7 Scope of the study**

This study focused on effect of psychological contract on employee turnover intention in hotels within Eldoret Town, Kenya. The study sought to establish the relationship between job security, employee fair treatment, employee engagement and career development and turnover intention. The study was done in selected hotels in Eldoret town, Kenya. The study made use of structured questionnaires to gather relevant information for the study. The study targeted lower carde employees of hotels. The study was carried out within a three-month period between September, 2018 and November, 2018.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter presented an overview of literature of researches that related to this study. It involved examining documents such as books, magazines, journals, and dissertations. It was divided under the sub sections, the theoretical frame-work, employee turnover intention and the psychological contract elements covering job security, employee fair treatment, employee engagement and career development

#### **2.1 Theoretical Framework**

This study was underpinned by three theories namely resource conservation theory (1989), the Maslow's hierarchy of needs theory (1954) and Expectancy theory (1984) an attempt to understand the effects of psychological contract on employee turnover intention. This study sought to determine the effect of the psychological contract on the employees' turnover intentions.

These theories helped to delineate the parameters within which this study operated thus eliminating psychological elements that are not applicable to this study. They enabled the identification of the bases that influence the employees' turnover intentions and ultimately quitting their jobs. Furthermore, the theories enabled this study to go beyond known facts regarding psychological contracts by suggesting what was to be expected to allow proper organization of the facts already known. They helped this study to explain the elements of the psychological contract whose non-fulfillment leads to employees' turnover intentions.

### **2.1.1 Resource Conservation Theory (1989)**

Resource Conservation Theory was proposed by Dr. Stevan E. Hobfoll in 1989. He states “that personal resources such as time, physical and emotional state and attention, are limited. An individual has a desire to acquire, preserve and maintain their own limited resources. When an individual is in an environment where his/her personal resources are perceived to suffer, are threatened or the returns of these resources don’t meet the expectation, s/he will have a sense of insecurity and burnout. Therefore, individuals will reduce their stress by maintaining and making up their resources.” Hobfoll (2002), pointed out that employees’ basic resources in the workplace include individual resources and relationship resources.

Individual resources including optimism, organization-based self-esteem and self-efficacy can motivate employees to achieve their goals when they are faced with adversity and challenges. Personal resources may be of assistance to employees’ keeping high working emotions, that help improve their job satisfaction and intrinsic motivation, way that will reduce their turnover intentions.

Relationship resources are the factors that help to meet the requirements of employee’s work. These include work autonomy and organization support. They can help to reduce the employee’s physiological and psychological pressure, hence promote his/her work engagement. Work independence gives employees, especially knowledge workers, authority to decide on their own working methods. It brings out the employees’ motivation and strength. High job independence will not only meet employees’ psychological expectations but also bring out their organizational identification. Organizational support, which includes support from supervisor, colleagues support and

company culture support can bring needs satisfaction of employees both socially and emotionally. It also strengthens their sense of trust and belonging to their organization.

Hobfoll Resource Conservation Theory addresses organizational commitment to uphold the elements of the psychological contract in order to keep the employees in their jobs. This theory was used by Wang, Li, and Gao (2017) in their research on psychological contract and turnover intention, they discovered that organizational commitment ensures longevity of service by employees by reducing or eliminating their turnover intentions all together. This study found that there are two categories of psychological contract (transactional psychological contract and relational psychological contract). These two categories have a huge negative impact on employee turnover intention.

### **2.1.2 Maslow's Hierarchy of Needs Theory (1954)**

The proponent of this theory was Abraham Maslow in 1954. This Theory has been built on three main assumptions. The first being that people have to satisfy lower level needs before moving to the next level of the hierarchy. The Second assumption states, "behavior is only stimulated by unsatisfied needs" Lastly the third assumption being the need of human vary from the very basic to the most complex. He stated that when a need occurs, motivational tension develops and is directed towards satisfaction of the felt need. According to this theory, individuals must experience all the five levels of needs. They include physiological needs, safety and security needs, social needs, self-esteem needs and self-actualization needs.

Physiological needs include basic and essential needs, sometimes called biological needs such as heat, light, food, shelter and clothing. These can be directly satisfied by compensation. Once the physiological needs are met, safety and security needs become a motivational factor. Such needs include the need to protect oneself from danger, threat,

harm, injury, loss, or deprivation. These needs include an employee's need for job security, seniority, safe working conditions, benefits, insurance and retirement plan, and severance pay.

After safety and security needs have been satisfied, the individuals are motivated by social needs. These include the need for companionship, love, and belonging both inside and outside an organization. Such needs may be met through formal and informal work groups, teams, and company-sponsored activities. After meeting the social needs, an individual turns his/her attention to self-esteem needs. Self-esteem involves an individual's sense of worth, self-respect, accomplishment, achievement, maturity, competence and independence. In organizations, esteem needs include recognition, reputation, praise, status and responsibility. As soon as all the above four levels of needs have been met, a person will now focus on self-fulfillment. They will endeavour to realize their maximum level output in both personal and professional life.

Maslow's Hierarchy of Needs Theory addresses the employer's fulfillment of the employees' psychological needs before they commit their efforts towards promoting the organization. Maslow's Hierarchy of Needs Theory was used in Kyule (2010) study on determinants of staff turnover in the hospitality industry in Kitui Town, Kitui County, Kenya. This study found out that failure to meet the employees' needs at any level in Maslow's hierarchy can lead to lack of fulfillment in their lives which may prompt them to seek fulfillment elsewhere, probably by finding a new employer who will provide better opportunities.

There is various criticism of the Maslow hierarchy of needs theory. Among them as documented by Prateek, (2012) being that Maslow theory was created from an individualistic perspective, that is, it is based on U.S cultural values. As such the needs

and drives of those in individualistic societies tend to be more self-centered than those in collective societies focusing on improvement of self, with self-actualization being the apex of self-improvement. Another criticism is that there is a lack of direct cause effect relationship between need and behaviour. One particular need may cause different type of behaviour in different people. Moreover, this theory to some simply doesn't exist. At all levels, needs are present at given times. An individual motivated by self-actualization needs cannot afford to forget his food. This criticism has however been solved by Maslow saying that needs are interdependent and overlapping.

### **2.1.3 The Expectancy Theory (1984)**

The Expectancy Theory was first developed by Professor Victor Vroom in 1984. The theory attempts to explain what keeps employees working. It states that motivation will be high when people know what they have to do in order to get a reward that will be expected to be worthwhile. The strength of expectation may be based on past experiences, but individuals are frequently presented with new situational changes in payment system or working conditions.

Maycock and Amasi (2015), examined the link between psychological contract violation and employee commitment. They found that a stipulation of the Expectancy Theory that people make decisions among alternative plans of behaviour based on their perceptions of the degree to which a given behaviour will lead to desired reward was true. Another study, by Dawson (1993), concluded that in employment, transactions such as payment for services rendered are reciprocal and occur between employers who are providers of reward and recognition and employees who are service providers. Vroom's Expectancy Theory states that employees' psychological expectations need to be satisfied in order for them to commit themselves to the organization.

The expectancy theory greatest strength is also its biggest weakness according to Lander (2018). The theory is inherently rational, assuming that employees always act purely out of self-interest and their desire for rewards. However, it omits the possibility that an employee may be motivated by other factors such as simply doing the right thing or being team players regardless of the reward.

Researchers of related studies that have used these theories separately such as Dawson (1993) - The Expectancy Theory; Kyule (2010) – The Maslow Hierarchy of Needs Theory; and Wang, *et al* (2017) – Resource Conservation Theory – encouraged the use of these theories *in* future related studies such as this study. They felt that the theories provide clear avenues in examining employees' decision-making processes as regards their work engagements. The theories further made it possible for this study to develop links between underlying psychological issues and the decisions employees made regarding their turnover intentions.

## **2.2 Review of Literature on Employee Turnover Intention**

Employee turnover intention can be defined as the employee's behaviour to want to quit from his/her current job. In reference to Bigliardi, Petroni and Dormio, (2005), the intention to quit is the behaviour made by an employee on whether they want to stay or leave the organization. Albattat, Som and Helalat (2013) define turnover as an employee's behavior to quit from their current job. They later modified it to mean the movement of people into and out of employment with an organization, which they say can either be voluntary or involuntary, controllable and unavoidable.

Employee Turnover intention is one of the major important cause of concern to organizations that requires special attention. Jang (2008) indicated that turnover intention can be categorised into six classes which are voluntary turnover intention

which is when an employee makes their own decision to quit or when they decide to leave the organization at their own free will and involuntary turnover intention can taken to mean the turnover in which the employees have no choice when making the decision to quit. The main reason an employee may involuntarily quit could be as a result of being ill, for family reasons or death. The second class can be described as Functional and dysfunctional turnover which implies that functional turnover occurs when a none performing employee leaves the organization, whereas Non functional turnover is when a good performer leaves the organization for another. Lastly is avoidable turnover, and unavoidable turnover intention. Avoidable turnover will occur when during hiring, evaluating and motivating the management ensure they carry out the on boarding sessions. However, Unavoidable turnover will tend to occur from decision that are beyond the controls of the employer control such decision may include having to move to a new area or a when an employee's spouse is given a transfer.

Su (2014) argues that turnover intention is a reflection of the probability that an employee might change jobs at a certain time. Psychologists who have analyzed turnover intentions majorly argued that employee turnover is a vital topic since such the process presented huge costs to organizations through the loss of valuable assets in the human resources and the distraction of ongoing activities. Su (2014) further argues that there is a strongly correlation between employee turnover intentions and actual turnovers. Employees' turnover decisions are usually considered and undertaken with regard to their current job situation.

Employee turnover is an endemic issue in hospitality industry, worldwide. Nivethitha, Dyaram and Kamalanabha, (2014) state that employee turnover intention acts as a proxy for actual employee turnover. Being in customer service business, hospitality industry capitalizes heavily on its human resources to achieve its competitive advantage the

hospitality industry being a customer service dependent business, it relies heavily on its human capital to gain its competitive advantage. Faldetta, Fasone and Provenzano, (2015) add to this by stating that the hospitality industry comprises both the production and the service aspects, which means that the creation and rendering of service from the hotel to the customer are primarily achieved through the employee. They state further that the success of the industry is primarily dependent on the quality of the employees and how effectively they are managed.

Choi and Dickson (2009) emphasized that the hospitality industry is a highly guest service-oriented business, where communication between employees and guests determine the success of the business Ongori (2007) confirms this by stating that employees, therefore, need to be motivated and maintained at all costs so as to aid the organization to be competitive.

The intention to quit according to Albattat *et al* (2013) is the behaviour made by an employee on whether they want to stay or leave the organization. They argued that turnover intention is an accurate predictor for an actual turnover crisis. Employees' turnover decisions are usually considered and undertaken with regard to their current job situation. People will usually to join an organization to work and will leave through redundancy, being dismissal, resignation, early retirement or for one or another reason, (Nzuve, 2010). Employees who are chosen and have a better person– company fit will have the intention to remain and perform better for the organization (Dawson and Abbott, 2011).

Ongori (2007) argues that globalization has heightened competition forcing organizations to continually develop tangible products and quality services based on strategies created by employees. Johnson, O'Leary and Kelly (2003) estimate that the

cost of hiring and training a replacement worker for a lost employee is about 50% of the worker's annual salary. The costs do not stop there, each time an employee leaves, it's presumed that productivity drops. This is due to the replacement's pre- production training involved in understanding the job and the organizational culture. Having invested time and resources hiring and training the employees, managers want to make sure that the person stays. Dessler (2014) concludes that this requires the understanding of the driving force for employees to leave and suggests that since the costs of losing good employees are high, managing turnover should be an important task of the Human Resource Manager.

Branham (2012) states that majority of today's managers are of the opinion that turnover should be an acceptable cost for conducting businesses and will be heard making statements such as: "people come and people go" or "you can't expect to hold on to everyone forever" or "good people get better offers and move on." There could be some element of truth in all these allegations. A good manager should be concerned as to why good people are leaving their organization, especially when their leaving is something that can be prevented. In essence, this should translate to these manager that they cannot afford to hold on to backward attitudes about turnover, especially when it is possible to prevent. Branham (2012) concludes that managers have to adopt a new way of doing things to gain a competitive edge: whereby every voluntary but avoidable employee leaving is a disappointment that has to be critically looked in be taken as a lesson to learn from and not to be repeated.

Faldetta *et al* (2015) state that the hospitality industry is a seasonal one. This therefore, is one of the reasons for turnover in the hospitality industry is very high with more than half the hospitality industry's employees being forced to leave at the end of every high season.

Managers are increasingly becoming accustomed to hiring and firing employees according to the rhythm of regular season fluctuations.

Albattat *et al*, (2013) point out that turnover intentions happen when an employee is faced with a bad working environment which creates stress in the job which in turn gives him/her the intention to quit, Nivethitha *et al*, (2015), add to this by stating that there are huge unexpected results of underpaying and undertraining your organizations employees with the consequence being low levels of motivation. This will automatically lead to increased job dissatisfaction, high levels turnover and eventually affecting services to customers.

Kumar *et al* (2012) classifies turnover into three categories. First, is the unpreventable which includes illness, family issues and retirement or death. Secondly, is the desirable turnover which revolves around the employee's incompetency. Lastly, the undesirable turnover which includes competent and qualified employees leaving due to organization issues such as lack of supervision, poor organizational support and conflicts in employee roles.

A study conducted by Jang (2008), indicated that employees are more likely to leave after working 7 to 12 months. Hence, human resource management has a vested interested in assisting employees to develop realistic job expectations. This can be accomplished through a realistic job preview. A realistic job preview is simply an attempt to provide accurate information about a particular job to all job applicants. This includes not only what the duties of the job are but also what the job is like and what the working conditions may be. The realistic job preview may play an important role to reduce turnover intention in the hotel industry.

A number of factors according to Chabaya, O. Tshephe. G.P. Molotsi, M.M (2014). were realised to be the main reasons for increased staff turnover. These reasons included staff staying on a contract level for far too long; promotional prospects lacking. Having deplorable working conditions where they get little assistance from management, all pointed out to leading to frustration. Showing appreciation to employees goes a long way for the Management who also engage these employees on issues that affect them.

The International Labour Organisation (ILO) conducted a survey in 2001 on labour turnover in the Kenyan hospitality industry and found that it stood at 60% which compared poorly with the turnover rates of United States, the United Kingdom and Asia at 51.7%, 42% and 30% respectively. These statistics portray a worrying state of affairs in the Kenya's hospitality industry. According to the Republic of Kenya Economic Survey (2004), the hospitality industry's rate of turnover as shown by the ILO, is higher than that in her other industries.

### **2.3 Psychological Contract**

According to Bellou (2013) the psychological contract has its definition revolving around and echoing the themes of expectations, beliefs, reciprocity and obligations'. Armstrong (2014) defines the psychological contract as a set of unwritten expectations that exist between an employee and the employer. It is a system of beliefs that encompasses the actions employees believe are expected of them and what they expect in return from their employers. Guest (2007) points out that the psychological contract is concerned with the perception of the employee and employer regarding the employment relationships. His study regarding organizations and individual employees concluded that it is (the psychological contract) the reciprocal promise and obligations implied in the employer-employee relationship.

The psychological contract was originally developed by Denise Rousseau in 1995. It can be described to mean the informal arrangements, mutual expectation, commonality and what to be perceived between the employer and employee. He points out that it develops and evolves constantly based on communication or lack thereof between the employee and the employer. Accordingly, promises over promotion or salary increases may form part of the psychological contract. He concluded that managing expectations was a key behaviour of the employers so that they do not give employees wrong perception of action which may not materialize. He further points out that employees should also manage their expectations so that difficult situations or adverse personal conditions affecting productivity are not mistaken as deviant by the employers.

Dhanpat and Parumasur (2014) states “that the psychological contract is a model of both scientific and practical importance; it is pertinent and significant to the field of human resources and especially relevant in helping organizations retain its employees.” Organizations that wish to succeed and realize their goal in an effective way have to get the best out of their human resource. In order to do this, employers have to know what employees expect from them. Festing and Schafer (2014) concur with this stating that, it is important for organizations to understand and manage the expectations of their employees fulfilling their side of the contract. In his concluding remarks, Rousseau (1995) observed that perceived breaches of the psychological contract severely damages the relationship between the parties leading to disengagement, reduced productivity or workplace deviance. He suggests that fairness is a necessary part of the psychological contract bound up in equity theory which states that employees need to perceive that they are being treated fairly to sustain a healthy psychological contract. Kudzanayi, Gore and Kudakwashe, (2016), observed that the psychological contract is formed from the initial promises made to employees by the employers on joining the

organisation and during performance appraisals. It is imperative for employee expectations to be managed if management wishes to retain their employees. This can be done by ensuring that offers are understood by both the employer and employee. As long as employees have their expectation being met, then the psychological contract can be considered met (Dhanpat and Parumasur, 2014)

The employment relationship guides the basics of the psychological contract. The psychological contract brings out the fact that expectations of employee/employer take the form of unexplained assumptions, (Armstrong 2006). Armstrong (2006) concurs that employees have expectations; that include be treated as human beings, being provided for with work that utilises their capabilities, being rewarded in accordance to what their output is, being able to show what they are capable of, being given the opportunities to enhance their growth, to be aware of what is expected of them and to have preferably positive given to them on how they are. Employers on their part, will have the expectation of their employees giving their best for the sake of the organization by putting the company interest before them by ensuring they are committed fully to the values held by the organization, are compliant and remain loyal, and also making sure that the company image with the clients and suppliers are maintained.

There are various aspects of the employment relationship covered by the psychological contract according to Armstrong (2014). These include, from the employee point of view, how they are treated (fairness, equity, and consistency), security of employment, scope to demonstrate competency, career expectation and the opportunity to develop skills. Kumar *et al* (2012) support Armstrong (2014) where the psychological contract is believed to influence employees' attitudes towards an organization which then affects their commitment, trust, loyalty and their effort towards accomplishing organizational

goal. A breach in psychological contract leads to negative outcomes such as increased employee turnover and decreased organizational commitment

The Iceberg Model by Edward Hall (1970) helps individuals and organizations to expand their perception of a situation to see within the context of the whole system and limits one to look at just a single activity or event. This model argues that events and patterns which are observable, are caused by systematic structures and mental models which are often hidden. Using the Iceberg Model, the researcher identified job security, employee engagement, employee fair treatment and career development as the variables to guide the study.

### **2.3.1 Job Security on Employee Turnover Intention**

Today's unemployment is a problem that every country suffers from, although the reasons may show variety, job security seems to be in decrease in every part of the world, Dessler (2015). Job security is a vital construct that affects directly an employee's commitment levels. An employee who feels sure that he or she will not be replaced from the organization any time sooner, will most likely work extra hard (Armstrong 2014). He further asserts that employees will work efficiently when they become loyal, committed and sincere towards the organization. Perceived job security according to Armstrong (2011), is a significant contributor in job satisfaction and in turn reduces turnover intention.

According to Dessler (2015), job security plays an important role in both social and work life because it helps individuals not to worry about their future. It contributes to maintaining industrial peace, increasing organization productivity and protecting social balance and values. He further points out that because employees are not machines running on physical power but human beings affected by environment they should not be dismissed from organizations without reasonable grounds. Today, job security is an

indispensable right of an employee which guarantees that the employee and his or her family will not be deprived of their income.

Employees, according to Armstrong (2014), also want their employers to provide them with financial security. If an employer fails to provide this, then it can lose its human resource. A majority of businesses these days are giving employees part of their shares as a way of increasing their job security. Armstrong (2014) concludes that if employees feel that they have job security then automatically they will show more commitment to the business. Armstrong (2011) perceives that job security is a significant contributor to employee job satisfaction which in turn reduces his/her turnover intention.

Lack of job security as pointed out by Chabaya *et al.* (2014). was also identified to be among the factors that caused high staff turnover. Organisational shake ups have been seen to have a high percentage of high turnover this indicates that employees are bound to remain at an organization that has a predictable work environment. Unstable organizations will always have employees who are more likely to leave employment and go to organizations that are deemed to be more stable. Organisations that have stability will have a predictable career growth. Therefore this is a reason why such issues that affect employees Job Security must be looked into.

Cullinane, N. and Dundon, T. (2006), argued that management believe there has been an increase in pressure associated with costs and heightend competition which has led to commitments made previously regarding to job security and satisfying individual career preferences of individuals can nt be sustained any longer. This has forced the management to assume that their employees will get to understand this concept and try to adjust their expecattions accordingly in order to accommodate the changes in this

commercial priorities. Moreover, changes emanating from competitive pressures were seen as inescapable and externally justified.

Employees may believe that the organization has an obligation to provide job security even though this has never been promised to the employee. An employee who strongly holds highly the value of a comfortable life, may develop a subsequent belief that organizations should provide job security, because it is the right thing to do. In the mind of that employee, one or more of these beliefs may become an obligation for the organization even though the management of the organization did not believe they had these obligations. (Tallman 2008).

Working in the tourism and hospitality industry has been views as being undesirable. The common feature being that thses jobs have low wages, staf work under poor working conditions,there is lack of job security and few promotional chances resulting in high turnover, (Nivethitha 2014). International competition and globalization have recently caused the evolution of the economic environment forcing organizations to become flexible in order to remain and increase their productivity. These has led to the increase in the importance of retaining and attracting new staff. As a result, there has been a confusion on matters regarding expectation and obligations of management and their staff. This has led to a decrease in job security leading to the organization having difficulties in retaining the staff. (De Vos & Meganck, 2007)

### **2.3.2 Fair Treatment on Employee Turnover Intention**

Human resources are the backbone of any business and therefore they need to be treated fairly. The productivity of an organization can be affected if its human resources are not treated fairly. Armstrong (2014) points out that there is need for the human resource department to examine all the possible elements that can assist the organization achieve

employee job satisfaction. This is supported by Imran *et al.* (2011) that fairness in organization is usually seen from the perspective of employees' as being the major stakeholders and they want the organization to be fair to them. According to Armstrong (2014), researches have been dedicated to fairness in organization for the last 25 years. The purposes of these researches were to explore the nature, impacts and determinants of the relationship that exists between organizational fairness and the different outcomes.

According to Shahidul, (2015) lowering employee intention to quit can be achieved effectively by ensuring staff are fairly treated. Aityan and Gupta (2012) identified that workplaces that enshrine respect, fairness, and employee equality as being what employees look for in terms of stability and productivity. However, to ensure expectations are met, it is important that both the employer and employee come to a point of agreement where their differences and goals are identified. Every kind of organization wants loyal employees that are committed towards the goal of the organization, Imran *et al.* (2011). Organizational justice and fairness may have both monetary and non-monetary benefits for the organization. Dessler (2000) agrees with this by stating that treating employees fairly makes sense for other reasons such as creating a greater impact on employee attitudes and how they behave towards the organization. It has been noted by Armstrong (2014) that, when employers start to treat their employees fairly, the employees will start to develop a positive attitude toward the organization and to what the organization has in store for them. Fazil (2011) states that in targets of the current day organizations can be realized when the employees of these organizations willingly and voluntarily perform their duties efficiently.

A fair two-way communication, can help signal that one is being treated fairly, Dessler (2000). There are some supervisors who are work-place bullies, yelling at or threatening

their subordinates. Employees under abusive supervisors are more likely to quit their jobs because of lower job satisfaction. Mistreatment makes it more likely for the employee to show higher levels of withdrawal and growth of turnover intentions. Bullying takes place in various forms. Dessler (2014) classifies it into verbal, social and physical categories. He clarifies that verbal bullying takes the form of name calling and teasing, whereas social bullying comes in the form of will be seen in form of spreading lies about colleagues, intentionally omitting to inform people about the going ons in the organization and causing the break up of workplace friendships. The physical mistreatment comes in the form of hitting, punching or shoving an employee.

Employees may experience a feeling of being looked down upon or being viewed as not making substantial contribution to the organization. As such, they will feel they are neither appreciated or rewarded accordingly in the form of payments and promotions according to Armstrong (2014), creates negative behavior that leads to resentment and growth of turnover intentions. Armstrong (2014) further points out that whereas it is healthy to have employees not to agreeing with everything that the management or supervisor may have to say to them, disagreements their different opinions should not be suppressed. Rather, they should openly come out and ensure that these disagreements are properly addressed and conflicts are resolved.

### **2.3.3 Engagement on Employee Turnover Intention**

Employee engagement centers on employee behavior and its action towards meeting organizational goals (Shuck & Wollard, 2010), Engagement takes place when people are committed to their work and the organization and are motivated to achieve higher levels of performance. Armstrong (2014) states that when people are properly engaged at work, they become committed to their organization and are motivated to achieve higher levels of performance. They hold positive intentions towards the organization. One of the

key drivers of employee engagement is availability of communication opportunities for employees to feed their views upwards in the organization hierarchy. Kular, Gateny, Rees, Soane and Truss (2008) state that whilst key drivers of engagement have been identified, it is clear that 'one size does not fit all'. They explain this further by stating that there is need for a study of employee engagement at a global level given the increasing number of multi-national organizations that need to use staff outsourcing and solutions offered.

Moore (2014) quoted that "The consequences of high levels of employee engagement are higher job satisfaction, higher organizational commitment, lower intention to quit and higher organizational citizenship behaviors as empirically demonstrated. (Saks, 2006). Shuck, Reico, and Rocco (2011) condense these consequences of employee engagement into two succinct categories: intentional turnover and discretionary effort. Intention to turnover is viewed as the desire to either leave the organization or stay with the organization, whereas discretionary effort is defined as an employee's behavior in completing a task that goes beyond the minimum requirements to complete the task (Lloyd, 2008)"

Communication is very important as far as work engagement or job involvement is concerned. Active participation by employees is required to efficiently come up with proper job design and ways to actually conduct these jobs. Keeping employees in a hotel on the need to know basis and constantly being updated on events and change in strategic policy that affects them is vital in ensuring employee retention..job involvement therefore empowers employees to make decisions in relation to their work, Mbane and Ezeudiyi, (2016). Armstrong (2011) believes that factors that influence genuine engagement are either rational aspects or emotional aspects. He describes the rational aspects as being what relates to an employee's understanding of his/her role whereas the

emotional aspects entail how the person feels about the organization. Armstrong (2014) sees engagement as having three core facets. They include the intellectual, affective and social engagements. He describes the intellectual engagement as thinking hard about the job and how to do it better. The affective engagement translates to feeling positively about doing a good job and lastly social engagement means actively taking part in discussing work-related improvements with others at work. He concluded that ultimately, engagement will end in a behavioral outcome leading to what he described as “engaged employees.”

Westhuizer (2014) observed that engaged employees are characterized by absorption, dedication and vigour, and are considered valuable organizational assets. Instead of becoming exhausted by the demanding nature of their work, engaged employees display higher levels of energy and self-efficacy. Sonnentag, (2003) says that they are able to derive benefits from stressful work situations which safeguards them against the development of turnover intentions. Kular *et al* (2008) argue that a person's ability and desire to be engaged or not engaged will shape their willingness to be involved or become committed their work..

It was also argued by May, Gilson and Harter (2004) that an employee emotional experience and their well being will be related to the level of engagement they receive. Despite this, they point out that studies conducted on these organizations usually overlook the kind of effect such behaviours will have on the emotions and feelings of these employees. Emotions are inbuilt in our genetic and psychological make-up and where by they will not only affect a person on an individual level but will also their affect their behaviours while at work. Whilst some, such as Armstrong (2014) argue that employees who are engaged are more likely to have a positive attitude towards work, there others researched such as Purcell, Kinnie, Hutchinson, Rayton and Swart (2003)

who are of the opinion that employee engagement can only be meaningful when there is real sharing of responsibility between management and employees on issues that are of concern. However, Purcell et al' (2003) proposed that being involved in decisions that affect work is a vital factor which strongly associate with greater level of engagement of employees showing that it is an important factor.

In a study conducted by Balakrishna (2013) on employee retention the concluded that retention of employees can be improved by ensuring that there is high level of engagement of employees. Statistical evidences confirm that non-financial drivers can be used to address the issue of employee retention. These non financial driver include timely and proper communication, being recognized for jobs well done, manager/supervisor having a supportive (relationship), having work engagement that ensures team work and team cohesion by ensuring there is clear roles definition. Therefore, employee retention does not necessarily imply that there should be financial implications, have engaged employees will go a long way. The messages an organization will conveys according to Vance (2006), while purposing to attract job applicants can have a major influence on the future employees' engagement and commitment to that organization. When you recruit existing employees for desirable jobs, you enhance their engagement by maximizing the person-job fit and commitment by providing growth and advancement opportunities to employees in return for their loyalty. If as a recruiter, you recruit from outside when qualified internal candidates are available, you may unwittingly suggest to current employees that your company is not willing to reciprocate their commitment. Engaged employees can help your organization achieve its mission, execute its strategy and generate important business results.

To enable engagement, employers need to understand their employee's expectations and motivations. This has significant implications for job design to ensure that the meaning and purpose of the role are clearly defined. By designing jobs that promote employee engagement, organisations can create jobs where workers will be challenged and stimulated, be given authority and autonomy, and have access to information and resources as well as growth and development opportunities, all of which are considered important drivers in many of the studies mentioned (Gemma and Markvick 2009)

### **2.3.4 Career Development on Employee Turnover Intention**

Career management is defined by Dessler (2015) as a process that enables employees to better understand and develop their career skills and interest and to use these skills and interest most effectively both within the company and after they leave. Career development is a lifelong series of activities that contribute to a person's career success and fulfillment. Traditionally, hotel employees have been perceived as the lowest paid among the workers in other industries. This is due to low skills and lack of union support, monetary and educational incentives offered to employee, Bralton and Gold (2012). Dessler (2015) argues, employers recognize that career management plays an important role in engaging and retaining employees. Offering career support is a win-win situation. Employees armed with better insights about the occupation strength should be better equipped to serve the company and are less likely to leave.

Literature regarding turnover intention according to Su (2014) suggested that the employment conditions such as career development opportunities were great determinants of what caused of turnover intention. Employees who find that their career growth prospects are low while at their place of work are highly likely to lead in absenteeism, or experience a withdrawal reaction which might trigger work place frustrations. Hassan, Razi, Qamar, affir & Suhail. (2013) supports this by stating that

employees who have a great chance to receive training will have a low level of intention to leave the organization as compared to those who do not get chances at receiving any training. Despite the fact that employees are mandated to provide a certain level of service to guests, there are hotels which are known for not providing regular trainings of their staff as alluded by Mbane and Ezeudiyi (2016). They continue further to say employees normally need to get some form of continuous training and development in the organization as part of the reward package they receive from their employers. Employee development programmes in hotels have different training in which employees who have interest in them are allowed to participate in, as part of the team mandate to deliver acceptable level of service delivery.

Hall (2002) reaffirmed that building an individual's career is not only important to the individual but also to the employer. In order for organizations to achieve resilience, a strategy on career development should be put into place. This can be done through provision of enough opportunities for individuals to advance their careers. In so doing, employees will feel that their career expectations are being met through the creation of well established career development plans. Having a career that is well defined with opportunities to grow and develop.

Davidson McPhail and Barry, (2010) have noted that for many years now, the biggest challenge that the hotel industry faces is in their plans for training and skills growth. Formal and informal trainings are very important as they ensure that as there is the global expansion in the industry the employees are able to move with the ever changing trends. The need for knowledge enrichment and career path growths is largely attributed to the ever increasing legal requirements and of utmost importance the need to provide quality of services to customers.

The individual, manager and employer all have a role in the development of an individual's career (Dessler (2015). However, individuals must accept responsibility of his or her own career and assess their interest skills and values and generally take steps in ensuring a happy and fulfilling career. Dessler (2015) further argues, promotion usually mean increase in pay, more responsibilities and greater job satisfaction for the employee which is what employees usually crave for. On the other hand for the employer, giving an employee a promotion means they now have a chance to reward the employee for their outstanding performances. It is also an opportunity for the employer to fill out vacancies with trusted and loyal employees. However, often times, promotions can be marred by unfairness and laced with secrecy that it loses its meaning in career development.

According to Nivethitha et, al (2015), On-the job training is the primary method used in the hotels but the employers fail to offer training from trained professionals which affects the quality of training. Lack of training and career growth opportunities in the hotels make the employees to quit their job.

Growth and development according to Armstrong (2011), should be based on the creation of a learning culture which promotes learning as is recognized by top management, line managers and employee generally as an essential organization process which they are committed to and which they engage in continuously. Davidson et al. (2010) noted that employees enter into hotel jobs fully aware there will be limited career growth and this has led to hotel believing that employee turnover is a goup norm since other will leave and others will come.

There are four decisions as discussed by Dessler (2015), that an employer needs to make in order to ensure promotions are fair and open. One is based on seniority or competency,

today's focus on performance favours competency. The second decision is how competency is measured, done by defining and measuring past performances. However, there is no way of predicting the employees' future performance to evaluate promotable employees and identify those with executive potential. The third decision is whether the process is formal or informal. Many firms have informal promotion processes. They may or may not post positions and key managers may use their own unpublished promotion. In this cases, employees may reasonably conclude that factors like "who you know" are more important than performance and that working hard to get ahead at least in this firm" is futile. The last decision is whether the promotion should be vertical, horizontal or other.

Dessler (2000) explains that employers should provide periodic job rotation and pathing done by having employees try out a variety of challenging jobs. This way an employee gets an opportunity to assess his or her aptitude and preferences. While responsibility for career management and career development is perceived as resting largely with the individual, Mulhall (2014) states that organizations should have programmes that support personal career aspirations, whilst simultaneously meeting an employer's future skills and capability requirements.

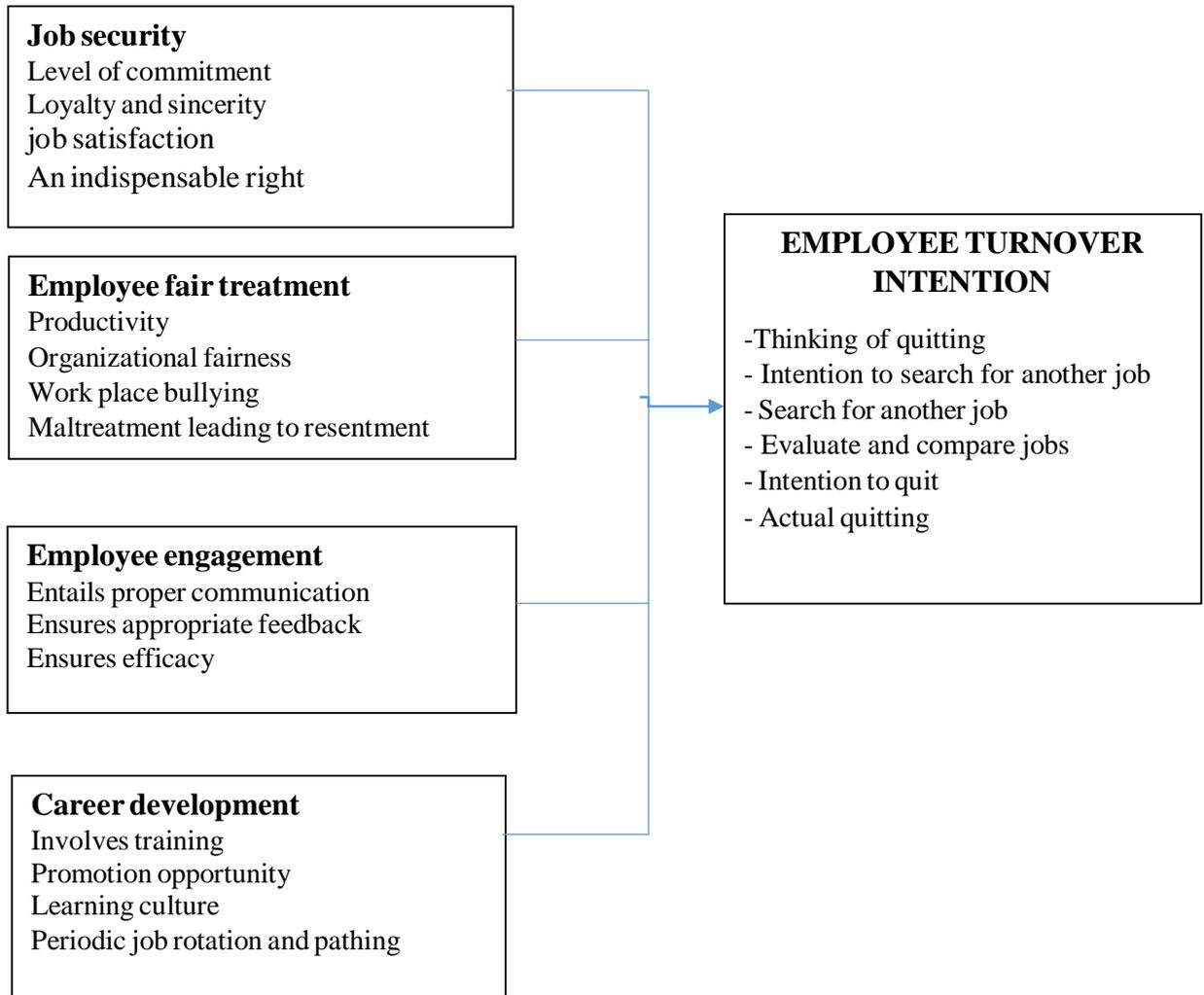
Many organizations are now coming up with strategies on how to have effective job designs. The focus of these designs are how best to ensure career growth of their employees. It involves coming up with solutions that will be of benefit to both the employer and employee. The size and training budget of an organization will determine how expansive the career growth and management plan will be.

## .2.5 Conceptual framework

Independent Variables

Dependent Variable

### PSYCHOLOGICAL CONTRACT



Source: Adopted from (Dessler (2014); Armstrong (2015); Mobley (1977) and modified by researcher (2018).

Figure 1. 1: Conceptual framework

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

This section covered the research design, the study area, target population, sample size, data collection, reliability and validity, data analysis, and ethical considerations.

#### **3.1 Research Design**

This study adopted the cross-sectional research design. However, this design has been used by various researchers in their studies of the hospitality industry in Kenya (Fwaya et. al., 2012; Wadongo et. al., 2010; Odhuno et.al. 2010; Kingi, 2013). This design's advantage over other research designs is that data was collected cheaply and within the short period of time. There were not marked changes in the variables' characteristics. The aim of the cross-sectional research design was to investigate the effect of psychological contract on employee turnover intention. According to Bryman (2008) cross-sectional design entails the collection of data on a number of respondents and at one single point in time. It also entails collection of quantitative or quantifiable data in connection with two or more variables which can then be examined to detect any patterns of association. He further explains that the term 'survey' can be applied to any research that employs a cross-sectional design in which data are collected by a questionnaire. He goes on to explain that both validity and replicability are issues that this design takes care of. He states that validity is strong when the sample from which data is collected is randomly selected. On replicability, he explains that it is present in most studies using this design to the extent that the researcher spells out procedures for selecting respondents, presenting the conceptual framework, administering the research instruments and analyzing data.

This study was carried out in selected hotels within Eldoret town. The study collected quantifiable data using questionnaires. All these points are in line with the dictates of a cross-sectional research design.

### **3.3 Study Area**

The study was carried out in Eldoret Town, located in Uasin Gishu County. According to the county's official website *www.uasingishu.ac.ke*, the County covers an area of 2955.3 kms<sup>2</sup>, with a population of 894,179 people according to the 2009 census. Eldoret is a cosmopolitan town. Uasin Gishu is located on a plateau and has a cool and temperate climate. Its main economic activity is agriculture where the main cash crops are maize and wheat. It also produces sizable quantities of milk and horticultural produce.

Eldoret is a commercial town as it offers services like wholesale and retail trade, auto repair garages, entertainment centers, and banking services. The county is home to two public universities – Moi University and University of Eldoret as well as several campuses of other universities. It also houses several institutions of tertiary education such as technical institutes and polytechnics. These institutions house both local as well as foreign students and lecturers. Eldoret is home to several international athletes who occasionally organize athletics competitions that attract visitors the world over. The town has an international airport which is used as means of quick transport for the highly perishable horticultural crops as well as people travelling to and from other major towns. It is a transit town for East and Central African region. With all the above, Eldoret is a thriving town in hospitality and hotel industry.

### **3.4 Target Population**

The target population of this study comprised of was the staff in selected registered hotels within Eldoret town. There are 10 rated licensed hotels employing 374 staff of the lower carde , according to the Uasin Gishu Integrated Development Plan (2013-2018).

### 3.5 Sampling Technique and Sample Size

The sampling technique that was employed for the study was systematic sampling. In this sampling technique the researcher identifies a random starting point in the population is selected. Then an  $n^{\text{th}}$  subject from the population is chosen to be included in the sample. This in turn creates a sample that is representative of the entire population, Kothari (2004). sample contains characteristics present in the target population and have independent chances of being selected, Kasomo, (2006).

The researcher used the Human Resource Manager to get the number of employees who included casuals and contract term basis employees. Using proportionate sampling, the researcher used nth of 2 as the employees were not many. The respondents in each hotel are as shown in table 3.1 below.

**Table 3. 1: Sampling Frame**

| <b>HOTEL</b>                      | <b>No of employees</b> | <b>Respondents</b> |
|-----------------------------------|------------------------|--------------------|
| Winstar Hotel                     | 44                     | 22                 |
| Nobel Hotel and Conference centre | 32                     | 16                 |
| Sirikwa hotel                     | 72                     | 36                 |
| Hotel Baron                       | 28                     | 14                 |
| Cicada Hotel                      | 42                     | 21                 |
| The Hotel Goshen                  | 36                     | 18                 |
| The pearl hotel                   | 42                     | 21                 |
| Wills Pub and Hotel               | 10                     | 5                  |
| Asis Hotel                        | 26                     | 13                 |
| Starbucks hotel                   | 42                     | 21                 |
| <b>Total</b>                      | <b>374</b>             | <b>187</b>         |

### 3.6 Data Collection

The study used a self-completion questionnaire to collect data from the respondents. Data was collected by the administration of structured questionnaires to the respondents. The questionnaires sought to find out the effects of psychological contract on employee turnover intention in their respective hotels.

### **3.7 Research Instruments**

Questionnaire is a tool of data collection whereby a certain number of items are listed and they require the respondent to complete by writing, Kothari, (2010). A structured questionnaire was used to collect the data. The questionnaires were administered to the respondents who were expected to make responses to the questions rated using a Likert Scale with response options being: **1. Strongly Disagree, 2 Disagree, 3 Not Sure, 4 Agree and 5 Strongly Agree**. The questionnaire statements were adopted from Anyika (2012) and Moore (2014) and modified by the researcher. Section A comprised of demographic information of respondents, whereas Sections B-F comprised of questions based on dependent and independent variables.

#### **3.7.1 Piloting**

A pilot study was conducted in Kitale Town, Trans Nzioa County. 5 hotels were randomly selected with a total of 34 respondents, making about 10% of the sampling frame of 365. This is as per the guidance by Gall and Borg (1996) which recommends a 10% from the target population for piloting. According to Coolican (1999) and Kothari (2004), piloting is trying out a prototype of the questionnaire on a small sample from the population in order to discover snags or errors in its design and develop a workable measuring instrument. The three firms were picked from the population but were not involved in the final study.

Bryman (2008) states that piloting an instrument is not solely to do with ensuring that survey questions operate well but ensuring that the research instrument as a whole function well. Piloting, especially self-completion instruments, is crucial because it helps to clear up any confusion the respondents may encounter in the actual study. Pilot studies, according to Bryman (2008) may help the researcher to determine the adequacy of instructions to respondents and help to gauge the flow of questions that may necessitate

shuffling some of them around to improve their flow. Piloting, therefore, helped this researcher to construct a workable data collection instrument after getting feedback from the pilot sample.

### **3.7.2 Validity of the Instruments**

Validity is the extent to which results obtained from the analysis of the data actually represents the phenomenon under study, Mugenda and Mugenda (2010). To determine and improve the validity of the questionnaire, assistance was sought from the supervisors. This allowed the preparation of the final questionnaire to capture the needed data.

### **3.7.3 Reliability of the Instrument**

Reliability of the data was checked by use of Cronbach Alpha coefficient test set at a value of at least 0.7 in the opinion of Hair et al., (2005). They generally agreed upon lower limit for Cronbach's Alpha is  $\geq 0.70$  but may decrease to  $\geq 0.60$  in cross sectional research and increase up to  $\geq 0.80$  in studies that require more stringent reliability.

## **3.8 Data Analysis**

The data collected, cleaned, coded, and entered into the computer using SPSS package version 23. Thereafter, it was analyzed using descriptive and inferential statistics methods to describe the response rate, demographics and the dependent and independent variable questionnaire items.

## **3.9 Ethical Consideration**

In order to carry out the research, permission was sought and obtained from (NACOSTI). The hotels where the sample was drawn from were notified in person before the commencement of the study. Respondents were not induced materially or financially to participate in this study. The researcher is solely responsible for all the facts appertaining to the study. Privacy and confidentiality were observed to maintain the anonymity of the respondents.



## **CHAPTER FOUR**

### **DATA ANALYSIS**

The chapter presents result of the analyzed data from the field. It gives results based on research objectives- Determining the effect of job security on employee turnover intention, establishing the effect of employee fair treatment on employee turnover intention, examining the effect of employee engagement on employee turnover intention and assessing the effect of career development on employee turnover intention meant to answer the research hypotheses derived from the problem identified. The Hypotheses being tested were; There is no significant effect of job security on employee turnover intention in hotels There is no significant effect of employee fair treatment on employee turnover intention in hotel. There is no significant effect of employee engagement on employee turnover intention in hotels and There is no significant effect of career development on employee turnover intention in hotels The descriptive and inferential results are presented in tables which show the trends and patterns in the data collected.

#### **4.1 Response rate**

One hundred and eighty-seven (187) questionnaires were administered to the respondents, however one hundred and seventy-five (175) were fully filled in and returned and were entered into the final analysis. This represented 93.6% response rate while 12 questionnaires representing 6.4% were excluded from the final tallying because they were either not returned or though returned but did not respond to all items in the questionnaire. According to Mugenda and Mugenda (2003) a response rate of 75% is a good representation and can give reliable results for a research. The results are presented in Table 4.1 below

**Table 4. 1: Response rate**

|         | Frequency | Per cent (%) |
|---------|-----------|--------------|
| Valid   | 175       | 93.6         |
| Missing | 12        | 6.4          |
| Total   | 187       | 100.0        |

## 4.2 Demographic characteristics

### 4.2.1 Age.

The study found that majority of the employees fell below the age of 30 being represented by 56.6%. The age range of 31- 40 years was represented by 32% while those above 40 years were represented by 11.4%. This was shown in Table 4.2 below.

**Table 4. 2: Age of Respondents**

|              | Frequency      | Per cent (%) |      |
|--------------|----------------|--------------|------|
| Valid        | 20-30 years    | 99           | 56.6 |
|              | 31- 40 years   | 56           | 32.0 |
|              | above 40 years | 20           | 11.4 |
| <b>Total</b> | <b>175</b>     | <b>100.0</b> |      |

### 4.2.2 Gender

Gender was almost equally distributed with 48% representing male and 52% representing female. This is shown in the Table 4.3 below

**Table 4.3: Gender**

|       | Frequency | Percent |       |
|-------|-----------|---------|-------|
| Valid | Male      | 84      | 48.0  |
|       | Female    | 91      | 52.0  |
|       | Total     | 175     | 100.0 |

### 4.2.3 Level of education

66.9% of respondents were of college level of education, whereas 18.3% were university graduates. 14.9% had secondary level of education. This representation is shown in Table 4.4 below.

**Table 4. 3: Level of education**

|       |            | Frequency | Per cent (%) |
|-------|------------|-----------|--------------|
| Valid | Secondary  | 26        | 14.9         |
|       | College    | 117       | 66.9         |
|       | University | 32        | 18.3         |
|       | Total      | 175       | 100.0        |

### 4.2.4 Current position

The study found that majority of the respondents were support staff representing 74.9%, supervisors at 14.9% whereas managers were 10.3%. This is shown in Table 4.5 below.

**Table 4. 4: Current position held**

|       |               | Frequency | Per cent (%) |
|-------|---------------|-----------|--------------|
| Valid | manager       | 18        | 10.3         |
|       | supervisor    | 26        | 14.9         |
|       | support staff | 131       | 74.9         |
|       | Total         | 175       | 100.0        |

### 4.3.5 Length of years operated

The study found that 5 hotels representing 50 of the hotels had been in operation for over 10 years, while 30% representing 3 hotels had been in operation for between 6-10 years and 20 % representing 2 hotels were below 5 years. This was shown in Table 4.6 below.

**Table 4. 5: Length of years' hotel has operated**

|       |                | Frequency | Percent |
|-------|----------------|-----------|---------|
| Valid | below 5 year   | 2         | 20      |
|       | 6-10 years     | 3         | 30      |
|       | Above 10 years | 5         | 50      |

|       |    |       |
|-------|----|-------|
| Total | 10 | 100.0 |
|-------|----|-------|

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#### 4.3.6 Length of years worked

80.6% of the respondents had worked for below 5 years, whereas 18.9% had worked for 6- 10 years and 0.6% having worked for above 10 years. This representation is shown in the Table 4.7 below.

**Table 4. 6: Years worked**

|       |                | Frequency | Percent |
|-------|----------------|-----------|---------|
| Valid | below 5 years  | 141       | 80.6    |
|       | 6-10 years     | 33        | 18.9    |
|       | above 10 years | 1         | .6      |
|       | Total          | 175       | 100.0   |

#### 4.3.7 Work status

Contract employees were represented by 57.1%, part time employee 26.9% and full time employee were represented by 16%. This is shown in Table 4.8. below.

**Table 4. 7: Work status**

|       |           | Frequency | Per cent (%) |
|-------|-----------|-----------|--------------|
| Valid | full time | 28        | 16.0         |
|       | part time | 47        | 26.9         |
|       | contract  | 100       | 57.1         |
|       | Total     | 175       | 100.0        |

#### 4.3 Employee Turnover Intention

The study found that 49.7%. respondents disagree on thinking to quit while 8% were not sure on whether they wanted to quit or not. However, 31% agreed that if given a chance they would move to another work place though 6.9% strongly disagreed. 30% believed managers look after their interest though 26% disagreed to this. On the importance of exit interviews,32% strongly agreed they were important however 6.3% strongly disagreed. 77% believed seasonality in the industry influenced their decision

on where to work though 9.1% strongly disagreed. The study found that 50% of the respondents agreed that the intention to quit lead to the employee finally quitting. On poor supervision, 33% agreed that it informed their decision to quit. Skewness and Kurtosis for normal distribution falls under the range of -1.96 and 1.96. from the results, it is evident that distribution is normal as the range of skewness and kurtosis lie between the range of -1.96 and 1.96. The findings are shown on Table 4.9 below.

**Table 4. 8: Employee Turnover Intention**

|                                                                  |                      | <b>S</b>   | <b>D</b>   | <b>N</b>  | <b>A</b> | <b>SA</b> | <b>Mean</b> | <b>SD</b> | <b>Skewnes</b> | <b>kurtosi</b> |
|------------------------------------------------------------------|----------------------|------------|------------|-----------|----------|-----------|-------------|-----------|----------------|----------------|
|                                                                  | <b>f</b>             |            |            | <b>S</b>  |          |           |             |           | <b>s</b>       | <b>s</b>       |
| I think about quitting                                           | <b>f</b><br><b>%</b> | 40<br>22.9 | 87<br>49.7 | 14<br>8   | 22<br>13 | 12<br>6.9 | 3.7         | 1.1       | 0.54           | 1.6            |
| I feel like moving to another work place                         | <b>f</b><br><b>%</b> | 51<br>29   | 46<br>26.3 | 12<br>6.9 | 54<br>31 | 12<br>6.9 | 3.3         | 1.1       | -0.55          | 0.4            |
| Senior managers look after my interests                          | <b>f</b><br><b>%</b> | 28<br>16   | 47<br>26   | 25<br>14  | 52<br>30 | 23<br>13  | 2.5         | 1         | -2.92          | -1.04          |
| Exit interviews are important                                    | <b>f</b><br><b>%</b> | 11<br>6.3  | 34<br>19.4 | 31<br>18  | 43<br>25 | 56<br>32  | 3.4         | 1.2       | -1.65          | -2.69          |
| I am in this job because there was no alternative employment     | <b>f</b><br><b>%</b> | 37<br>21   | 70<br>40   | 8<br>4.6  | 22<br>13 | 34<br>19  | 3.8         | 1         | 0.41           | -1.89          |
| Seasonality of the industry affects my decision on where to work | <b>f</b><br><b>%</b> | 16<br>9.1  | 31<br>17.1 | 20<br>11  | 77<br>44 | 31<br>18  | 3.6         | 0.8       | -0.35          | -2.62          |

|                                                      |   |     |    |   |    |    |     |      |       |       |
|------------------------------------------------------|---|-----|----|---|----|----|-----|------|-------|-------|
| Employee turnover intention leads to actual turnover | f | 16  | 31 | 0 | 87 | 30 | 4.6 | 0.6  | -1.98 | 1.12  |
| Employee turnover intention                          | % | 9.1 | 10 | 0 | 50 | 29 |     |      |       |       |
| Employee turnover intention                          |   |     |    |   |    |    | 3.5 | 0.97 | -1.04 | -0.51 |

#### 4.4 Effects of job security on employee turnover intention

According to the study, 38.9% would recommend the hotel they work in to a job seeking though 2.3% strongly disagreed. On whether employee welfare did not receive the relevant support 37.1% agreed they did not however 6.9% disagreed that they did not receive welfare support. 45.1% disagreed on their remuneration being fair compared to other hotels while 18,3% believed they were fairly remunerated. On job security, 65.7% agreed there was no job security in their hotel while 17.7% disagreed. 67% agreed they did not know availability on new vacancies in the hotel whereas 7.4% agreed they knew. 66% of respondents agreed that they would be replaced if they were to take their leave while 5.7% believed they would still find their jobs when they went for their leave. job security is an important motivator according to the respondents who strongly agreed by 71% and 4% strongly disagreeing. Skewness and Kurtosis for normal distribution falls under the range of -1.96 and 1.96. from the results, it is evident that distribution is normal as the range of skewness and kurtosis lie between the range of -1.96 and 1.96. This is illustrated by Table 4.10 below

**Table 4. 9: job Security**

|                                                               |                | SD | D   | N   | A   | SA         | M           | SD           | Skewness     | Kurtosis |
|---------------------------------------------------------------|----------------|----|-----|-----|-----|------------|-------------|--------------|--------------|----------|
| I would recommend this place to a job seeker                  | F 4<br>% 2.3   | 39 | 14  | 68  | 50  | 2.31       | 1.1.        | 0.51         | 0.07         |          |
| Employee welfare does not receive relevant support            | F 12<br>% 6.9  | 34 | 17. | 65  | 33  | 2.5        | 1.1         | 1.55         | -3.81        |          |
| I am fairly remunerated compared to other hotels              | F 26<br>% 14.9 | 79 | 16  | 32  | 22  | 2.9        | 1.2         | -0.12        | -0.34        |          |
| There is job no security in this hotel                        | F 9<br>% 5.1   | 31 | 10  | 115 | 28  | 3.5        | 1.3         | -0.22        | -2.9         |          |
| I do not know how to find out about job openings in the hotel | F 8<br>% 4.6   | 13 | 4   | 117 | 33  | 2.6        | 0.9         | 0.28         | -0.32        |          |
| There will be a replacement brought if I take my leave        | F 9<br>% 5.1   | 10 | 17. | 115 | 10  | 3.4        | 0.8         | -0.34        | -2.02        |          |
| job security is an important motivator                        | F 7<br>% 4     | 4  | 0   | 40  | 124 | 3.7        | 0.6         | -0.59        | 0.21         |          |
| <b>job security</b>                                           |                |    |     |     |     | <b>3.1</b> | <b>1.08</b> | <b>-0.52</b> | <b>-0.63</b> |          |

#### **4.5 The effects of employee fair treatment on employee turnover intention**

The study shows 41.8% disagreed on disputes being fairly heard and judged. On relationships with employee, the respondents agreed by a representation of 51.4% that there was fairness among employees. However, 40 % disagreed that on matter concerning them, they are kept informed. The respondents agreed that disciplinary procedure age not carried out fairly. 78% strongly believe being shamed before guest greatly affected their performance. Skewness and Kurtosis for normal distribution falls under the range of -1.96 and 1.96. from the results, it is evident that distribution is normal as the range of skewness and kurtosis lie between the range of -1.96 and 1.96. This is shown in the Table 4.11 below.

**Table 4. 10: Employee fair treatment**

|                                                         |   | SD   | D        | NS       | A        | SA       | M          | SD         | Skewnes<br>s | Kurtosis     |                                      |
|---------------------------------------------------------|---|------|----------|----------|----------|----------|------------|------------|--------------|--------------|--------------------------------------|
| Disputes are<br>fairly heard<br>and judged              | f | 13   | 73       | 4        | 62       | 23       | 3.5        | 0.9        | -0.3         | 0.54         | <b>4.6<br/>The<br/>effect<br/>of</b> |
|                                                         | % | 7.4  | 41.<br>8 | 2.3      | 35.<br>4 | 13.<br>1 |            | 4          |              |              |                                      |
| There is<br>fairness<br>amongst<br>employees            | f | 25   | 45       | 4        | 90       | 11       | 3.4        | 1.0        | -0.55        | 0.64         |                                      |
|                                                         | % | 14.3 | 25.<br>7 | 2.3      | 51.<br>4 | 6.3      |            |            |              |              |                                      |
| I am informed<br>on matters<br>concerning me            | f | 11   | 71       | 31       | 56       | 5        | 3.2        | 0.9        | -2.03        | -1.57        |                                      |
|                                                         | % | 6.3  | 40.<br>6 | 17.<br>7 | 32       | 2.9      |            | 4          |              |              |                                      |
| Duty rosters<br>are created and<br>assigned fairly      | f | 37   | 67       | 3        | 62       | 6        | 3          | 1.3        | -1.20        | -3.81        |                                      |
|                                                         | % | 21.1 | 38.<br>3 | 1.7      | 35.<br>4 | 3.4      |            | 4          |              |              |                                      |
| Disiplinary<br>actions are not<br>carried our<br>fairly | f | 20   | 41       | 37       | 67       | 10       | 3.5        | 1.0        | 0.46         | 0.39         |                                      |
|                                                         | % | 11.4 | 23.<br>4 | 21.<br>1 | 38.<br>3 | 5.7      |            | 6          |              |              |                                      |
| Being shamed<br>affects my<br>performance               | f | 1    | 2        | 0        | 35       | 137      | 4.6        | 0.7        | -1.62        | 3.0          |                                      |
|                                                         | % | 0.6  | 1.1      | 0        | 20       | 78.<br>3 |            | 4          |              |              |                                      |
| <b>Employee fair<br/>treatment</b>                      |   |      |          |          |          |          | <b>3.5</b> | <b>1.0</b> | <b>-0.87</b> | <b>-0.13</b> |                                      |

**employee engagement on employee turnover intention**

The study found 48.6% of respondents agreed there was adequate communication within the hotel, on whether they felt their work contributions were appreciated 63.4% agreed. However, 38.9% disagreed to being given opportunities to use their ideas so as to improve on service delivery. There was no involvement in decision making with 45.1 % disagreeing on being involved in in change process. On encouragement to come up with better way for service delivery,42.3% disagreed on being encouraged. The study found that 53.1% strongly agreed that being involved indecision making helped in the delivery of better

service improving on performance. Skewness and Kurtosis for normal distribution falls under the range of -1.96 and 1.96. from the results, it is evident that distribution is normal as the range of skewness and kurtosis lie between the range of -1.96 and 1.96. This is illustrated in Table 4.12 below.

**Table 4. 11: Employee engagement**

|                                                                                  |   | SD   | D    | N    | S    | A    | SA | Mean       | S.D         | Skewness    | Kurtosis    |
|----------------------------------------------------------------------------------|---|------|------|------|------|------|----|------------|-------------|-------------|-------------|
| Adequate communication                                                           | F | 10   | 57   | 8    | 85   | 14   |    | 3.4        | 1.07        | -0.5        | 0.81        |
|                                                                                  | % | 5.7  | 32.6 | 4.6  | 48.6 | 8    |    |            |             |             |             |
| My work contributions are appreciated                                            | F | 3    | 27   | 23   | 111  | 11   |    | 3.5        | 0.93        | 0.4         | 0.27        |
|                                                                                  | % | 1.7  | 15.4 | 13.1 |      | 63.4 |    |            |             |             |             |
| Sufficient opportunity to use my ideas for better service delivery               | F | 37   | 68   | 27   | 34   | 9    |    | 2.9        | 1.26        | 0.17        | 0.64        |
|                                                                                  | % | 21.1 | 38.9 | 15.4 | 19.4 | 5.1  |    |            |             |             |             |
| Involved in change process                                                       | F | 38   | 79   | 2    | 32   | 24   |    | 2.6        | 1.43        | 2.15        | 3.72        |
|                                                                                  | % | 27.7 | 45.1 | 1.1  | 18.3 | 13.7 |    |            |             |             |             |
| There is encouragement in coming up with new better ways for service delivery    | F | 49   | 74   | 2    | 40   | 10   |    | 2.6        | 1.39        | 2.1         | -0.69       |
|                                                                                  | % | 28   | 42.3 | 1.1  | 22.9 | 5.7  |    |            |             |             |             |
| There is great involvement with decision making helps in better service delivery | F | 2    | 1    | 0    | 79   | 93   |    | 4.4        | 0.63        | 0.82        | 2.83        |
|                                                                                  | % | 1.1  | 0.6  | 0    | 45.1 | 53.1 |    |            |             |             |             |
| <b>Employee engagement</b>                                                       |   |      |      |      |      |      |    | <b>2.8</b> | <b>1.12</b> | <b>0.85</b> | <b>1.26</b> |

#### 4.7 The effect of career development on employee turnover intention

The study found that 37% disagree that there were equal chances of employment at the hotels they worked. On promotions, 55.4% disagreed that promotions were based on performance appraisals. 41% agreed that promotions were based on years while 43% strongly agreed promotions were based on the relationship between the staff and

management. On job enhancement not being provided, 38.6% respondents agreed there were no job enhancement incentives 33% disagreed on feeling like getting a job in another profession. This is shown in Table 4.13 below.

**Table 4. 12: Career development**

|                                                                  |        | SD             | D              | NS         | A              | SA             | Me<br>an | S.D         | Skewnes<br>s | Kurtosi<br>s |
|------------------------------------------------------------------|--------|----------------|----------------|------------|----------------|----------------|----------|-------------|--------------|--------------|
| Equal employment<br>chances                                      | f<br>% | 2<br>1.1       | 66<br>37.<br>7 | 39<br>22.3 | 46<br>26.<br>3 | 22<br>12.<br>6 | 3.2      | 1.08        | 0.25         | -0.33        |
| Promotions based<br>on performance<br>appraisal                  | F<br>% | 6<br>3.4       | 97<br>55.<br>4 | 9<br>5.1   | 56<br>32       | 7<br>4         | 2.8      | 1.12        | 0.22         | -0.34        |
| Promotions based<br>on years worked                              | F<br>% | 14<br>8        | 40<br>22.<br>9 | 41<br>23.4 | 71<br>40.<br>6 | 6<br>3.4       | 3        | 1.06        | -1.63        | -2.74        |
| Promotions based<br>on management<br>relationship                | F<br>% | 36<br>20.<br>6 | 24<br>13.<br>7 | 9<br>5.1   | 27<br>15.<br>4 | 75<br>42.<br>9 | 3.4      | 1.55        | -2           | 0.39         |
| job enhancement is<br>not provided to<br>productive<br>employees | F<br>% | 5<br>2.9       | 52<br>29.<br>7 | 40<br>22.9 | 68<br>38.<br>6 | 10<br>5.7      | 2.5      | 1.27        | 0.24         | 0.61         |
| I feel like getting a<br>job in another<br>profession            | F<br>% | 55<br>31.<br>4 | 58<br>33.<br>1 | 8<br>4.6   | 43<br>24.<br>6 | 11<br>6.3      | 3.6      | 0.92        | 0.58         | -1.26        |
| <b>Career<br/>development</b>                                    |        |                |                |            |                |                | <b>3</b> | <b>1.16</b> | <b>-0.39</b> | <b>-0.61</b> |

#### 4.8 Factor Analysis

Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. For example, it is possible that variations in six observed variables mainly reflect the variations in two unobserved (underlying) variables.

Factor analysis searches for such point variations in response to unobserved latent variables. The observed variables are modeled as linear combinations of the potential factors, plus "error" terms. Factor analysis aims to find independent latent variables. Followers of factor analytic methods believe that the information gained about the interdependencies between observed variables can be used later to reduce the set of variables in a dataset. Users of factor analysis believe that it helps to deal with data sets where there are large numbers of observed variables that are thought to reflect a smaller number of underlying/latent variables. It is one of the most commonly used inter-dependency techniques and is used when the relevant set of variables shows a systematic inter-dependence and the objective is to find out the latent factors that create a commonality.

#### 4.8.1 KMO and Bartlett's Test

Sampling adequacy was tested using the Kaiser- Meyer- Olkin (KMO) Measure of sampling adequacy. As shown in Table 4.14, KMO was greater than 0.5 (0.897), and Bartlett's Test was significant,  $\chi^2 (10) = 1736$ , p-value < 0.001.

**Table 4.14**

| <b>KMO and Bartlett's Test</b>                   |                    |          |
|--------------------------------------------------|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .897     |
|                                                  | Approx. Chi-Square | 1736.440 |
| Bartlett's Test of Sphericity                    | df                 | 10       |
|                                                  | Sig.               | .000     |

### 4.8.2 Total Variance explained

Table 4.15 shows the variances and indicates that these 5 factors explained 87.48% of the total variances in the variables which are included on the components. After rotation, each extracted factor has Eigen value greater than 1 and accounts for a different percentage of variance to the squared loadings.

**Table 4.15**

| Component | Initial Eigenvalues |          |            | Extraction Sums of Squared Loadings |          |            |
|-----------|---------------------|----------|------------|-------------------------------------|----------|------------|
|           | Total               | % of     | Cumulative | Total                               | % of     | Cumulative |
|           | Variance            | Variance | %          | Variance                            | Variance | %          |
| 1         | 6.742               | 34.83    | 34.83      | 6.742                               | 34.83    | 34.83      |
| 2         | 5.117               | 21.32    | 56.15      | 5.117                               | 21.32    | 56.15      |
| 3         | 3.273               | 13.64    | 69.79      | 3.273                               | 13.64    | 69.79      |
| 4         | 2.465               | 10.27    | 80.06      | 2.465                               | 10.27    | 80.06      |
| 5         | 1.783               | 7.428    | 87.48      | 1.783                               | 7.428    | 87.48      |

### 4.8.3 Principal Component Analysis.

Before starting factor analysis, communalities need to be checked for meeting minimum criteria. Communalities represent the proportion of the variance in the original variables that is accounted for by the factor solution. The factor solution should explain at least half of each original variable's variance, so the communality value for each variable should be 0.50 or higher. The study requested that all loading less than 0.5 be suppressed in the output. Thus, from the findings in table 4.16 all values for all the factors were more than 0.5 reflecting the accepted value of factor loading.

**Table 4.16**

|                             | Initial | Extraction |
|-----------------------------|---------|------------|
| Employee turnover intention | 1.000   | .955       |
| job security                | 1.000   | .911       |
| Employee fair treatment     | 1.000   | .940       |
| Employee engagement         | 1.000   | .968       |
| Career development          | 1.000   | .968       |

#### **4.9 Assumptions of Multiple Linear Regression**

Assumptions of multiple regression were tested to ascertain the validity of the collected data before performing hypothesis test. The following assumptions were tested; Linear relationship, Multivariate normality, multicollinearity, correlation and Homoscedasticity.

##### **4.9.1 Linear relationship**

Multiple linear regression needs the relationship between the independent and dependent variables to be linear. The linearity assumption can best be tested with scatter plots. The study observed that there was a linear relationship between the independent and dependent variables.

##### **4.9.2 Normality test.**

The multiple linear regression analysis requires that the errors between observed and predicted values (that is, the residuals of the regression) should be normally distributed. This assumption may be checked by looking at a histogram or a Q-Q plot. Normality can also be checked with a goodness of fit test (that is, the skewness and kurtosis), though this test must be conducted on the residuals themselves. The findings in Table 4.17 revealed that all the variables do not violate the normality assumption, values between +/-1.96.

**Table 4. 17: Normality test**

|                                | N | M<br>in | M<br>ax | Me<br>an | Std.<br>Deviation | Skewnes |    | Kurtosis |    |
|--------------------------------|---|---------|---------|----------|-------------------|---------|----|----------|----|
| Job security                   | 1 |         |         |          |                   | -       |    | -        |    |
|                                | 7 |         |         | 3.7      |                   | 0.6     | 0. | 0.7      | 0. |
| Employee fair<br>treatment     | 1 |         |         |          |                   | -       |    | -        |    |
|                                | 7 |         |         | 3.4      |                   | 0.7     | 0. | 0.2      | 0. |
| Employee<br>engagement         | 1 |         |         |          |                   | -       |    | -        |    |
|                                | 7 |         |         | 3.2      |                   | 0.3     | 0. | 1.1      | 0. |
| Career<br>development          | 1 |         |         |          |                   | -       |    | -        |    |
|                                | 7 |         |         | 3.2      |                   | 0.3     | 0. | 1.0      | 0. |
| Employee turnover<br>intention | 1 |         |         |          |                   | -       |    | -        |    |
|                                | 7 | 2.      | 4.      | 3.1      |                   | 0.2     | 0. | 1.2      | 0. |
|                                | 5 | 17      | 83      | 1        | 0.53              | 7       | 18 | 1        | 37 |

**4.9.3 Correlation.**

Two predictor variables are said to be correlated if their coefficient of correlations is greater than 0.05. In such a situation one of the variables must be dropped or removed from the model. As shown in Table below 4.18, none of the predictor variables had coefficient of correlation between themselves of more than 0.05 hence all of them were included in the model.

**Table 4.18: Correlation**

|                                   |                        | Employee<br>turnover<br>intention | job<br>security | Employee<br>fair<br>treatment | Employee<br>engagement | Career<br>development |
|-----------------------------------|------------------------|-----------------------------------|-----------------|-------------------------------|------------------------|-----------------------|
| Employee<br>turnover<br>intention | Pearson<br>Correlation |                                   | 1               | .904                          | .925                   | .968                  |
|                                   | Sig.                   |                                   |                 | .000                          | .000                   | .000                  |
|                                   | N                      |                                   | 174             | 174                           | 173                    | 174                   |
| job security                      | Pearson<br>Correlation | .904                              |                 | 1                             | .922                   | .913                  |
|                                   | Sig.                   | .000                              |                 | .000                          | .000                   | .000                  |

|                         |                     |      |      |      |      |      |
|-------------------------|---------------------|------|------|------|------|------|
|                         | N                   | 174  | 174  | 173  | 174  | 173  |
| Employee fair treatment | Pearson Correlation | .925 | .922 | 1    | .944 | .931 |
|                         | Sig.                | .000 | .000 |      | .000 | .000 |
|                         | N                   | 173  | 173  | 173  | 173  | 173  |
| Employee engagement     | Pearson Correlation | .960 | .911 | .944 | 1    | .977 |
|                         | Sig.                | .000 | .000 | .000 |      | .000 |
|                         | N                   | 174  | 174  | 173  | 174  | 173  |
| Career development      | Pearson Correlation | .968 | .913 | .931 | .977 | 1    |
|                         | Sig.                | .000 | .000 | .000 | .000 |      |
|                         | N                   | 173  | 173  | 173  | 173  | 173  |

#### 4.9.4 Multicollinearity

Multiple linear regressions assume that there is no multi-collinearity in the data. Multi-collinearity is tested using tolerance value and variance inflation factor. Multi-collinearity occurs when the independent variables are too highly correlated with each other. Multi-collinearity may be checked through multiple ways: Correlation matrix: which is done by computing a matrix of Pearson's bi-variate correlations among all independent variables, the magnitude of the correlation coefficients should have a tolerance level of greater than 0.2 and less than 0.80 in order to have no multi-collinearity. Variance Inflation Factor (VIF) of the linear regression indicate the degree that the variances in the regression estimates are increased due to multi-collinearity. In Table 4.19 below the study observed that the tolerance value is above 0.2 and the VIF are less than 10 hence there is no multicollinearity.

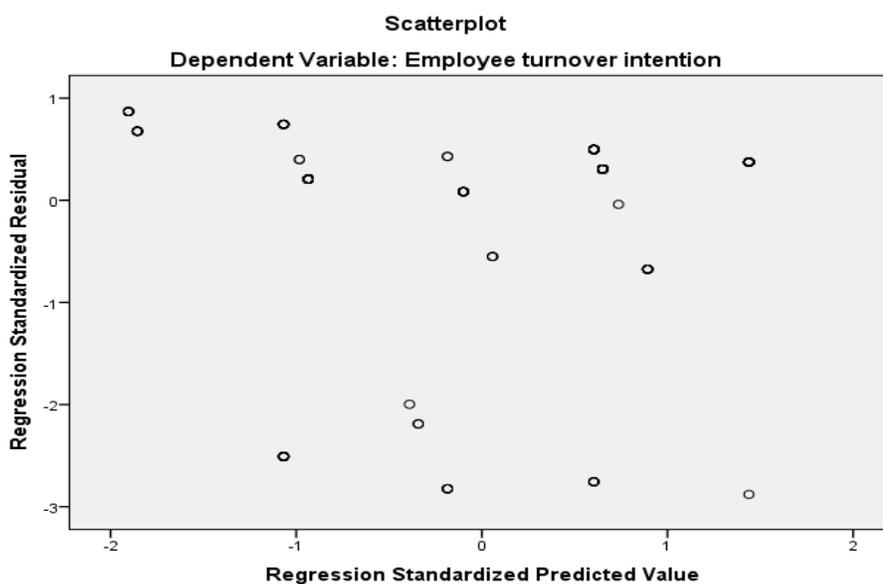
**Table 4.19: Multicollinearity**

| Model                       | Collinearity Statistics |       |
|-----------------------------|-------------------------|-------|
|                             | Tolerance               | VIF   |
| Employee turnover intention | .348                    | 2.870 |

|                         |      |       |
|-------------------------|------|-------|
| job security            | .186 | 5.373 |
| Employee fair treatment | .612 | 1.633 |
| Employee engagement     | .301 | 3.318 |
| Career development      | .257 | 3.884 |

### omoscedasticity

ly, a scatter plot of residuals versus predicted values is good way to check for homoscedasticity. In essence, there should be no clear pattern in the distribution. The findings in figure 4.17. revealed that homoscedasticity is not a problem. This essentially means that there is a linear relationship and there is no need to have a non-linear data transformation or quadratic term to fix.



### 4.10 Regression Analysis Result.

The study's multiple linear regression model has an  $R^2$  of .849 and adjusted  $R^2$  of .848.  $R^2$  is the proportion of variation in ratings that is explained by career development employee fair treatment and employee engagement. A value of .849 suggests that 84.9% of the variability in rating is explained by those three variables, which is acceptable in social science research. The results are shown on table 4.20 below.

**Table 4.20: Hypothesized model**

| Model | R Square | Adjusted R Square |
|-------|----------|-------------------|
| 1     | .849     | .848              |

ANOVA regression model represented Dependent Variable: Employee turnover intention and Predictors: (Constant), Career development, job security, Employee fair treatment, Employee engagement. It was found to be significant since  $P < 0.05$ . The results are shown in table 4.21 below.

**Table 4.21: ANOVA**

| Model      | Sum of Squares | df  | Mean Square | F       | Sig.              |
|------------|----------------|-----|-------------|---------|-------------------|
| Regression | 265.455        | 4   | 66.364      | 702.316 | .000 <sup>b</sup> |
| 1 Residual | 15.875         | 168 | .094        |         |                   |
| Total      | 281.329        | 172 |             |         |                   |

#### 4.10.1. Test of Hypothesis.

The study was based on the premise that psychological contract (independent variable) influences employee turnover intention (dependent variable). As a result of this, four null hypotheses were constructed to guide the study as highlighted in the conceptual framework. In order to establish the statistical significance of the respective hypothesis, Multiple regression analysis was used to statistically test the hypotheses as presented below. The hypotheses were tested at 95 percent confidence level ( $\alpha = 0.05$ ). The following null hypotheses were tested in the study:

$H_{01}$  - There is no significant effect of job security on employee turnover intention in selected hotels in Eldoret town

$H_{02}$  - There is no significant effect of employee fair treatment on employee turnover intention in selected hotels in Eldoret town

$H_{03}$  - There is no significant effect of employee engagement on employee turnover intention in selected hotels in Eldoret town

$H_{04}$  - There is no significant effect of career development on employee turnover intention in selected hotels in Eldoret town

***H<sub>01</sub>:** There is no significant effect of job security on employee turnover intention in selected hotels in Eldoret Town.*

Research findings from Table 4.22 below, showed that job security had coefficients of estimate which was not significant, basing on  $\beta_1 = 0.055$  (p-value = 0.286). Therefore, the researcher failed to react the null hypothesis: there is no significant effect of job security on employee turnover intention in selected hotels in Eldoret town. Signifying that there was no effect of job security on employee turnover intention. This suggests that there is up to 0.055-unit increase in employee turnover intention for each unit increase in job security. The effect of job security was found to be 1 times the effect attributed to the error, as indicated by the t-test value = 1.071.

The second hypothesis of the study postulated that:

***H<sub>02</sub>:** There is no significant effect of employee fair treatment on employee turnover intention in selected hotels in Eldoret Town.*

As shown in table 4.22 below, employee fair treatment had coefficients that was significant, basing on  $\beta_2 = 0.296$  (p-value = 0.025 which is less than  $\alpha = 0.05$ ). Therefore, the study reacted the null hypothesis of There is no significant effect of employee fair treatment on employee turnover intention in selected hotels in Eldoret Town, meaning that there was a significant effect

of employee fair treatment on employee turnover intention. This suggests that there is up to 0.296-unit increase in employee turnover intention for each unit increase in employee fair treatment. The effect of employee fair treatment was 3 times the effect attributed to the error, as indicated by the t-test value = 3.543.

The third hypothesis of the study stated that:

***H<sub>03</sub>*** *There is no significant effect of employee engagement on employee turnover intention in selected hotels in Eldoret Town.*

The findings in Table 4.22 below, showed that employee engagement had coefficients of estimate which was significant, basing on  $\beta_3 = 0.593$  (p-value = 0.003 which is less than  $\alpha = 0.05$ ). Therefore, the research reacted the null hypothesis, there is no significant effect of employee engagement on employee turnover intention, meaning there was significant effect of employee engagement on employee turnover intention. This therefore suggests that there is up to 0.593-unit increase in employee turnover intention for each unit increase in employee engagement. The effect of employee engagement was 5 times the effect attributed to the error, as indicated by the t-test value = 5.021.

The fourth hypothesis of the study stated that:

***H<sub>04</sub>*** *There is no significant effect of career development on employee turnover intention in selected hotels in Eldoret Town.*

The findings from Table 4.22 below, showed that career development had coefficients of estimate which was significant, basing on  $\beta_4 = 0.640$  (p-value = 0.00 which is less than  $\alpha = 0.05$ ). Consequently, the research rejected the null hypothesis. It was then concluded that career development had a significant effect on employee turnover intention. This suggests that there is

up to 0.640-unit increase in employee turnover intention for each unit increase in career development. The effect of career development was 7 times the effect attributed to the error, as indicated by the t-test value = 7.213.

**Table 4.22 Coefficients of estimates**

| Model                   | Unstandardized Coefficients |            | Standardized Coefficients<br>Beta | t     | Sig. |
|-------------------------|-----------------------------|------------|-----------------------------------|-------|------|
|                         | B                           | Std. Error |                                   |       |      |
| (Constant)              | -.305                       | .082       |                                   | 3.710 | .000 |
| job security            | .059                        | .055       | .055                              | 1.071 | .286 |
| Employee fair treatment | .106                        | .069       | .296                              | 3.543 | .025 |
| Employee engagement     | .195                        | .097       | .593                              | 5.021 | .003 |
| Career development      | .678                        | .094       | .640                              | 7.213 | .000 |

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS**

This chapter gives a summary of the findings outlined in Chapter Four above.

#### **5.1 Summary of the Findings**

The following four objectives were examined in the study

- a) To determine the effect of job security on employee turnover intention in hotels
- b) To establish the effect of employee fair treatment on employee turnover intention in hotels
- c) To examine the effect of employee engagement on employee turnover intention in hotels
- d) To assess the effect of career development on employee turnover intention in hotels

The study was undertaken to determine the effect of psychological contract on employee turnover intention in hotels. To execute this, the researcher conducted the study in ten selected hotels in Eldoret town. A total of one hundred and eighty-seven (187) questionnaires were administered of which one hundred and seventy-five (175) were duly filled in and returned and were entered into the final tally. The study found that most employees (50%) were not ready to quit their jobs and yet they were not happy in those jobs. The study concludes that since unemployment is high in Kenya (KNBS report of 2018 putting it at 7 million people representing 7.4%) employees would rather remain in those jobs than be out of employment. The study also found that majority of the employees were between the age bracket of 20 to 30 years (56.6%). According to Wood (1995), the hospitality industry is usually perceived as a stepping stone where people pass through as

they seek other careers. This explains the variance in age after 30 years where the number decreases with the age range of 31- 40 representing 32% and above 40 representing 11%. The study found that 48% of the respondents were male and female 52%. This balance reflects on a normal population where there is no gender based discrimination in employment. The study, however disputed Guerrier (1999), generalized logic that tourism and hospitality require unskilled or semi-skilled labour as most of the respondents were found to be of college level education (67%) with university level education at 18%. According to the study, the hotels were found to have been in operation for over ten years, however the majority of the respondents had worked in their respective hotels for less than five (5) years. This could be supporting evidence that majority of people view the hospitality industry as a stepping stone to other careers in future. It could also be safely concluded that staff turnover is quite high.

On taking the chance if they were given a job elsewhere, majority (65%) said they would quit their current positions to move. As hotels rely heavily on human capital, it is important that management should take proper care of this asset. The respondents believed that promises made during recruitment were not kept and as such felt the senior management did not address their interests adequately.

The respondents agreed on the importance of exit interviews however the hotels did not conduct them. The hospitality industry is a seasonal one, therefore it is one of the reasons that results in high turnover, Faldetta *et al* (2015). Respondents believed that seasonality of the industry affects their job security as most of the hotels operate at half capacity and are forced to sack some employees. The staff also agreed that once one thinks of quitting, the intention leads to actual quitting.

On evaluating the effect of job security on employee turnover intention, the findings indicate that 70.9% of respondents found job security to be an important motivator. They 115 (65.7%) felt there was no job security in the hotels they worked expressing fear of replacement where they indicated that they may be replaced if they go for their leave. Since a majority of them (57.1%) were on contract basis management have no qualms in replacing them. job security plays an important role in both social and in work life according to Dessler (2015), because it helps individuals not to worry about the future of their jobs. Although the respondents were not happy with the attention afforded to their welfare by the management, they would recommend a job seeker to their organization.

According to Armstrong (2014) human resources are the backbone of any business and therefore they need to be treated fairly because they affect productivity of the organization. The findings further revealed that, employees disagreed that there was fairness on matters of discipline and disciplinary actions, disputes were not fairly heard and judged. A feeling of being looked down upon or a view that the contribution they make is neither appreciated nor rewarded properly according to Armstrong (2014) leads to resentment. The findings showed that the majority of employees (137 representing 78.3%) agreed that being shamed before guests greatly affected their performance resulting in resentment leading to intention to quit.

Kularet *al*, (2008) identified communication as one of the key drivers of employee engagement which gives employees opportunities to feed their views upwards and to demonstrate their commitment to the organization, Findings of the study revealed that employee engagement affected their decision to quit. This was indicated by respondents indicated that they were not given sufficient opportunities to use their ideas for better

service delivery. This does not provide employees the opportunity to be informed and make decisions in relation to their work, (Mbane and Ezeudiyi, 2016). Findings illustrated that employees believed being involved in change decision making gave them confidence in making on-the-spur- of-the-moment decisions which is crucial in handling hotel guests. The respondents agreed that there were adequate communication channels, however, most of the communication in their hotels was only downward communication.

Employees work hard to be productive so as to achieve job promotions in their hotels. Most people crave promotion which usually means more pay, responsibility and job satisfaction. For employers, promotions can provide opportunities to reward exceptional performance and to fill open positions with tested and loyal employees. Yet this process isn't always a positive experience, as unfairness and secrecy can diminish the process, Dessler (2015). From the study findings, it has been shown that employees strongly agreed that recognition for exemplary work performance and promotions were based on relationships with management. They felt that despite performance appraisal being conducted and being communicated, it was not a basis for promotions. Employees however believed that there were some employees whose promotions were based on the number of years worked. This was seen as a way of rewarding long stay employees. The respondents agreed that they received training which was mostly on the job training from their supervisors but they would prefer a mixture of this training with formal outside training.

## CHAPTER SIX

### CONCLUSION AND RECOMMENDATION

This chapter looks at the conclusion and recommendations from the study.

#### 6.1 Conclusion

The study concluded that majority of employees in hotels in Eldoret town were dissatisfied with the current state of their psychological contract. The study found that the respondents felt that hotels have failed to honor their side of the contract leading to employees losing trust in the management. The study found that due to high unemployment rates in Kenya, people were not intending to quit their current jobs to look for other jobs. However, if given the chance to move from their current work places they would not hesitate to move. The study showed that most employees in the hotels in Eldoret town opted to work in Eldoret as the town was not affected by seasonality of business. This informed their choice for working in Eldoret despite the remuneration in Eldoret being low as compared to other places like Mombasa and the Masai Mara that are affected by seasonality.

Another conclusion from the study is that hotels need to treat employees fairly. This can be done by making sure that promotions are done on merit and not through inappropriate relationships with managers. Also employee disciplinary cases must be heard and determined fairly. This can be done by ensuring that proper channels for disputes are followed.

According to the study, employees should be involved in the decision making process. In this way, they are able to make decisions regarding their service in the hotel they work in. The employees also believed communication channels should be adequate. They were of

the opinion that communication should be a two-way traffic and not one way as is the case in order to benefit both parties.

Moreover, the study found that employees preferred to gain enough experience in better delivery of service. The study concludes that employers should allow their employees to have refresher courses so as to keep up with the ever changing standards of operating procedures in the hotel industry. The research also concludes that the poor communication between the two parties was the basis of breaches in the psychological contracts. This study has demonstrated that unmet expectations hurt the relationships between the employer and his/her employees. Rousseau (1989) believes that individuals enter employment with a set of beliefs, expectations and obligations' which they anticipate their employers to meet. To leave a binding exchange in place, the employer holds a reciprocal set of beliefs, expectations and obligations'. This study concludes that having a mutually balanced set of beliefs, expectations and obligations' will lead to a healthy and vibrantly competitive business.

## **6.2 Recommendations**

From the findings and conclusions, the study recommends the following: -

1. Hotels should have policies that ensure qualified and productive employees are retained through having workable contracts.
2. They should also practice fairness when handling disciplinary cases and disputes. This can be done by following the set policies and procedures on how to handle such cases.

3. The management must also ensure that employees are involved no matter how minimally during decision making processes, especially if there is a change in operations and the change will affect service delivery.
4. The hotel managements need to come up with ways to train and develop their employees. They should also ensure career advancement by effecting proper promotion strategies as a way of retaining the employees to the hotel.
5. Replication of this research in non-rated hotels in all towns in Kenya.

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## APPENDICES

### APPENDIX I- QUESTIONNAIRE FOR HOTEL EMPLOYEE

#### COVER LETTER

Dear respondent,

I am a student from University of Eldoret, undertaking a Master Degree in Hospitality Management. I am carrying out a research study on “*EFFECTS OF PSYCHOLOGICAL CONTRACT ON EMPLOYEE TURNOVER INTENTION*”. Any information you give is intended purely for academic purpose and will be handled with utmost confidentiality. Your contribution, participation and cooperation will be highly appreciated.

Thank you in advance.

**Valerie Chebet Wekesa**

**Tel 0721767155**

**Serial no\_\_\_\_\_**

#### SECTION A: DEMOGRAPHICS

Please indicate by ticking [ / ] where appropriate

1. Age  
(a) below 30yrs. , (b) 31-40yrs.  (c) Above 40 yrs.
2. Gender.  
(a). Male,  (b). Female,
3. Highest level of education attained  
(a) Secondary , (b). College , (c). University
4. What is your position in this hotel?  
(a). Manager,  (b). Supervisor  (c). support staff
5. How long has this hotel been in existence?  
(a) Below 5 yrs.  (b). 5-10 yrs.  (c). Above 10 yrs.
6. How long have you worked in this hotel?  
(a) Below 5 yrs.  (b). 5-10 yrs.  (c). Above 10 yrs.
7. Work status?  
(a) Full time , (b) Part time , (c) Contract

### SECTION B. Employee turnover intention

Please indicate the extent to which you agree with the following statements regarding employee turnover intention in this Hotel using the scale of **1- Strongly Disagree, 2- Disagree, 3- Not Sure, 4- Agree, 5- Strongly Agree.**

|    | Statement                                                               | 1 | 2 | 3 | 4 | 5 |
|----|-------------------------------------------------------------------------|---|---|---|---|---|
| B1 | I am thinking about quitting my job or                                  |   |   |   |   |   |
| B2 | I feel like moving to another work place                                |   |   |   |   |   |
| B3 | I feel the senior managers do not look after my best interest?          |   |   |   |   |   |
| B4 | I believe exit interviews are important to this hotel                   |   |   |   |   |   |
| B5 | I am in this job because there was no other available job               |   |   |   |   |   |
| B6 | I feel seasonality of the industry affects my decision on where to work |   |   |   |   |   |
| B7 | I feel employee turnover intention leads to actual employee turnover    |   |   |   |   |   |

### SECTION C. job security

Please indicate the extent to which you agree with the following statements regarding job security in this Hotel using the scale of **1- Strongly Disagree, 2- Disagree, 3- Not Sure, 4- Agree, 5- Strongly Agree.**

|    | Statements                                                        | 1 | 2 | 3 | 4 | 5 |
|----|-------------------------------------------------------------------|---|---|---|---|---|
| C1 | I would recommend this place to anyone looking for employment     |   |   |   |   |   |
| C2 | I believe employee welfare does not receive the relevant support  |   |   |   |   |   |
| C3 | I believe I am fairly remunerated compared to other hotels        |   |   |   |   |   |
| C4 | I feel there is no job security in this Hotel                     |   |   |   |   |   |
| C5 | I do not know how to find out about new job openings in the hotel |   |   |   |   |   |
| C6 | I believe I will be replaced if I take my leave                   |   |   |   |   |   |
| C7 | I believe job security is an important motivator                  |   |   |   |   |   |

### SECTION D. Employee fair treatment

Please indicate the extent to which you agree with the following statements regarding employee fair treatment in this Hotel using the scale of **1- Strongly Disagree, 2- Disagree, 3- Not Sure, 4- Agree, 5- Strongly Agree.**

|    | Statements                                                         | 1 | 2 | 3 | 4 | 5 |
|----|--------------------------------------------------------------------|---|---|---|---|---|
| D1 | I feel disputes are fairly heard and judged                        |   |   |   |   |   |
| D2 | There is fairness amongst employees                                |   |   |   |   |   |
| D3 | I am kept informed on matters concerning me                        |   |   |   |   |   |
| D4 | I feel duty rosters are fairly created and assigned                |   |   |   |   |   |
| D5 | I feel disciplinary actions are treated fairly                     |   |   |   |   |   |
| D6 | I believe being shamed before customers affect my decision to quit |   |   |   |   |   |

### SECTION E. Employee engagement

Please indicate the extent to which you agree with the following statements regarding employee engagement in this Hotel using the scale of **1- Strongly Disagree, 2- Disagree, 3- Not Sure, 4- Agree, 5- Strongly Agree.**

|    | Statements                                                                  | 1 | 2 | 3 | 4 | 5 |
|----|-----------------------------------------------------------------------------|---|---|---|---|---|
| E1 | I believe there is adequate communication within this hotel                 |   |   |   |   |   |
| E2 | I feel my work contributions are not appreciated                            |   |   |   |   |   |
| E3 | I have sufficient opportunities to use my ideas for better service delivery |   |   |   |   |   |
| E4 | I feel involved when there is change about to happen                        |   |   |   |   |   |
| E5 | I am encouraged to come up with new and better ways of doing things         |   |   |   |   |   |
| E6 | I believe great involvement with decision help me to perform better         |   |   |   |   |   |

**SECTION F. Career development**

Please indicate the extent to which you agree with the following statements regarding career development in this Hotel using the scale of **1- Strongly Disagree, 2- Disagree, 3- Not Sure, 4- Agree, 5- Strongly Agree.**

|    | Statement                                                                                    | 1 | 2 | 3 | 4 | 5 |
|----|----------------------------------------------------------------------------------------------|---|---|---|---|---|
| F1 | I feel there are equal chances of employment in this organization                            |   |   |   |   |   |
| F2 | I believe promotions are based on performance appraisal                                      |   |   |   |   |   |
| F3 | I believe promotions are based on number of years worked                                     |   |   |   |   |   |
| F4 | I believe promotions are based on relationship with management                               |   |   |   |   |   |
| F5 | I feel like getting a job in another profession                                              |   |   |   |   |   |
| F6 | I believe this hotel does not provide productive employee the opportunity of job enhancement |   |   |   |   |   |

**THANK YOU**

## APPENDIX II: Research Permit



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349,3310571,2219420  
Fax: +254-20-318245,318249  
Email: dg@nacosti.go.ke  
Website : www.nacosti.go.ke  
When replying please quote

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

Ref. No. **NACOSTI/P/18/63320/26296**

Date: **30<sup>th</sup> October, 2018**

Valerie Chebet Wekesa  
University of Eldoret  
P. O. Box 1125-30100  
**ELDORET.**

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

Following your application for authority to carry out research on "*Effect of psychological contract on employee turnover intention in hotels within Eldoret Town, Kenya*" I am pleased to inform you that you have been authorized to undertake research in **Uasin Gishu County** for the period ending **29<sup>th</sup> October, 2019.**

You are advised to report to **the County Commissioner and the County Director of Education, Uasin Gishu 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.

  
**BONIFACE WANYAMA**  
**FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner  
Uasin Gishu County.

The County Director of Education  
Uasin Gishu County.

## APPENDIX III: Research License

### THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014.

#### CONDITIONS

1. The License is valid for the proposed research, location and specified period.
2. The License and any rights thereunder are non-transferable.
3. The Licensee shall inform the County Governor before commencement of the research.
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
5. The License does not give authority to transfer research materials.
6. NACOSTI may monitor and evaluate the licensed research project.
7. The Licensee shall submit one hard copy and upload a soft copy of their final report within one year of completion of the research.
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice.

National Commission for Science, Technology and innovation  
P.O. Box 30623 - 00100, Nairobi, Kenya  
TEL: 020 400 7000, 0713 788787, 0735 404245  
Email: dg@nacosti.go.ke, registry@nacosti.go.ke  
Website: www.nacosti.go.ke



REPUBLIC OF KENYA



National Commission for Science,  
Technology and Innovation  
**RESEARCH LICENSE**

Serial No.A 21530

CONDITIONS: see back page

#### THIS IS TO CERTIFY THAT:

**MISS. VALERIE CHEBET WEKESA**  
of UNIVERSITY OF ELDORET, 0-30100  
ELDORET, has been permitted to conduct  
research in **Uasin-Gishu County**

Permit No : NACOSTI/P/18/63320/26296  
Date Of Issue : 30th October, 2018  
Fee Received : Ksh 1000

on the topic: **EFFECT OF  
PSYCHOLOGICAL CONTRACT ON  
EMPLOYEE TURNOVER INTENTION IN  
HOTELS WITHIN ELDORET TOWN, KENYA**

for the period ending:  
**29th October, 2019**



Applicant's  
Signature

  
Director General  
National Commission for Science,  
Technology & Innovation

# APPENDIX IV: Similarity Report

Turnitin

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|                                                                                                                                                                                                                                    |  |                                                                                   |                                           |                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Turnitin Originality Report</b></p> <p>Processed on: 21-Nov-2019 09:40 EAT<br/>         ID: 1218522441<br/>         Word Count: 20465<br/>         Submitted: 1</p> <p><b>BMS/PGMHM/2002/13 By Valarie Chebet Wekesa</b></p> |  |  | <p><b>Similarity Index</b></p> <p>17%</p> | <p><b>Similarity by Source</b></p> <p>Internet Sources: 10%<br/>         Publications: 3%<br/>         Student Papers: 11%</p> |
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- < 1% match (student papers from 03-Mar-2013)  
Submitted to Northwood University on 2013-03-03

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- < 1% match (Internet from 16-Nov-2015)  
<http://www.linkedin.com/media/18632/Educational-Network-Questionnaire-on-Quality-in-Education.pdf>

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- < 1% match (Internet from 22-Mar-2016)  
<http://www.fm-kp.si/zalozba/ISBN/978-961-266-181-6/86.pdf>

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- < 1% match (publications)  
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- < 1% match (Internet from 15-Sep-2019)  
<https://systemsinnovation.io/iceberg-model-explained/>

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Submitted to University Of Eldoret on 2019-08-30

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- < 1% match (Internet from 22-Feb-2012)  
[http://www.internationalconference.com.my/proceeding/icm2011\\_proceeding/043\\_360\\_ICM2011\\_PG0547\\_0568\\_CORPORATE\\_IMAGE.pdf](http://www.internationalconference.com.my/proceeding/icm2011_proceeding/043_360_ICM2011_PG0547_0568_CORPORATE_IMAGE.pdf)

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- < 1% match (student papers from 10-May-2013)  
Submitted to Adam Smith College on 2013-05-10

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- < 1% match (Internet from 05-May-2016)