

## Hospitality Employment: Policies and Practices in Hotels in Kenya

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*A study on Kenya's hospitality industry indicates that, about 64 percent of jobs are either semi skilled or unskilled. This comprises of about 6 percent in managerial, 8 percent in supervisory, 22 percent with craft while the remaining are unskilled as indicated in figure 4.2. The, low skills profile of jobs results to low status, low pay and poor working conditions in tourism and hospitality industry. Contrary to this, managers in the hospitality industry value practical and operational skills as well as on-job training, which may be acquired easily within the workplace. The ILO (2001) report concludes that, a formal qualification from new entrants is not highly regarded within the hospitality industry. The assumptions of tourism and hospitality jobs being unskilled or semi skilled may be attributable to the circular logic used rather than empirical measurement of the skills requirement of tourism and hospitality jobs. In Kenya, the hospitality sector alone catered for over 509,000 jobs in 2007, a ten percent of total employment. Despite such impressive figures, this industry has been faced with the challenge of high labour turnover for a long period. This paper is based on research findings completed in April 2011. One of the purpose of the study was to determine employees' turnover with regard to policies and practices in three to five star-rated hotels in Nairobi, City.*

*Nairobi city had 7 hotels classified as three star and 9 hotels classified as five star-hotels. The study adopted descriptive survey research design. Simple random sampling method was used to pick respondents for this study. Subjects for this study included 16 Human resource managers and 493 non-management employees working on permanent basis in the selected hotels. This study therefore involved a total of 133 permanently employed staff working in these star-rated hotels. Data from the respondents were collected using both structured and unstructured questionnaires. Descriptive statistical tools such as means, standard deviations ratios, percentiles and correlations were used to present the study findings. The results indicated that change in employment terms from contractual to permanent employment was also noted as driver to employees looking for greener pastures that would pay better.*

*As observed in table 4.3, frequent movements of employees from one hotels group to another with few promotions were noted. Subsequently, the study also revealed that 24 (sixty eight percent) respondents had been in the organizations for less than one year while 9 (twenty six percent) had been in the organizations for between three and five years. A further 2 (six percent) employees had been in the organizations for over 5 years. This indicated that majority of the respondents had not been in their current organizations for a long time. The study therefore recommended that, the management in hotels to initiate employee retention programs as human capital is the most valuable asset of all organizations.*

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*Additionally, the management to review the employees' welfare conditions such as giving better salaries, introducing flexible working hours to hotel employees in order to balance individual work and personal life; among other incentives. The study further recommended improvement of the working conditions in the hotel sector in order to boost employees' morale as these are the ingredients to employees' commitment to the organization. The study further suggested that a similar study needs to be carried out at a national level to determine labour wastage in all star-rated hotels in Kenya.*

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**Key Words:** star-rated hotels, World Travel and Tourism Council, Hospitality industry

### ***Literature Review***

The external political, social and commercial environment of an organization can have a significant impact on the policies, practices, strategies and plans of human resource management. By analyzing the outside community and society, the proactive HR planner can assess likely current and future changes and determine possible impact on its workforce and organizational plans.

A large proportion of tourism and hospitality employees are workers with other formal educational backgrounds; other than tourism and hospitality, or students who work on part time basis as well as contingent workers (Hjalager and Anderson, 2001). Guerrier (1999) warns that, the assumptions of tourism and hospitality jobs being unskilled or semi skilled may be attributable to the circular logic used rather than empirical measurement of the skills requirement of tourism and hospitality jobs. Tourism and hospitality industry is also known to be labour intensive (Bull, 1995). Bull (1995) further indicates that, labor intensity in the industry is attributed to the traditional importance and irreplaceable role of personal service. Labor intensity also varies according to the type of stage of tourism development, infrastructural development level and type of establishment (Erbes, 1973; Kusluvan, 2003).

Taylor, (1998) suggests that customers yearn for that personal touch and humane encounters with the employees during service. According to Jim Hartigan, Senior Vice President for Customer Quality and Performance for Hilton Hotels Corporation (2003), an architecturally perfect hotel building does not form part of fond memories to a guest as it does the direct experience he/she had involving a hotel employee. He further puts it aptly that, certain hotel equipment and other facilities can be copied by the competitor, but the genuine personal service cannot be replicated. Therefore, it is important to understand and control labour turnover at all levels. This means identifying the stages at which labour turnover is occurring. This may be during the early induction period, the subsequent setting-in period or after employees have become settled. With such information, management may then be in a position to consider changes and improvements to their personnel practices in order to reduce labour turnover causes. The provision of a high quality working environment with a range of employee-valued benefits may also increase satisfaction levels and hence discourage turnover behaviors as inspired to be achieved by this study.

According to Kusluvan (2003), one of the major causes of friction between the employers and their employees is a real or perceived lack of fairness in the distribution of wages. Kusluvan (2003) further indicates that, there are two extreme approaches to the determination of wages. At one extreme, there is a total transparency in which every employee can know what everyone else earns while on the other end, are employers who not only keep secret what they pay each employee but also make a condition of employment that salaries are not to be discussed between staff.

Arriving at a fair system of awarding wages and salaries is not easy and too often is a matter of expenditure, Kusluvan (2003). Subsequently, the pay systems have been used to address specific managerial problems or goals.

Thus, it is important to recognize the relative importance of each job, and remove any potential causes of dissatisfaction. Kusluvan (2003) concludes by stating that, it is vital to adopt a methodical system of evaluating jobs so that wages and salaries are fairly distributed to all.

It is evident that, voluntary termination of employment is on the increase within the hospitality industry (Phillips and Connell, 2003). This arises when an employee has the opportunity to take other employment that offers more attractive conditions. These researchers further revealed that because employees leaving voluntarily have not been dismissed by the employer, they are probably the employees that an employer would most like to retain. It is for the same reason that these employees should be interviewed to determine their reasons for leaving.

The exit interview may reveal specific information regarding conditions of employment, competitors' conditions and the quality or otherwise of supervision, training and selection procedures.

Nankervis et al (1996) suggest that, the need to train or imparting of new skills and attitudes has become a daily aspect of each individual's working life. In some cases, this may merely be an upgrading process, but in others, it will require a complete change from one occupation to another. Thus, Nankervis et al (1996) conclude that, where training is conducted, employees feel motivated and this reduces the labour turnover. In some sectors of the hospitality industry, staff training is steadily becoming more effective.

### **Conclusion**

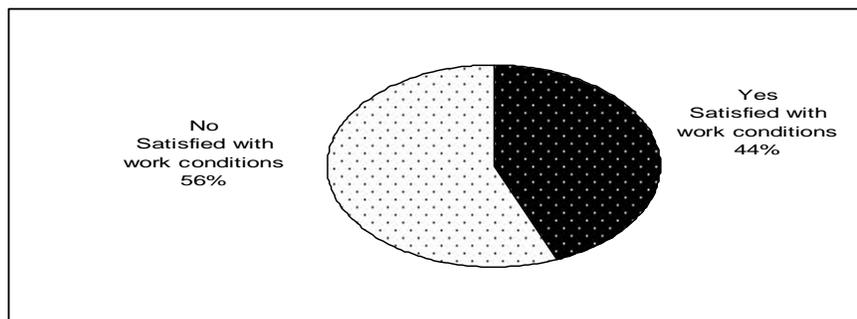
From the review of the literature as well as other related studies, a number of hospitality organizations have initiated integrated employee benefit programs to assist in the management of labour turnover. Plans that accommodate only the employers' needs may result in dissatisfaction, frustration, low morale and high turnover. The senior management must therefore ensure that adequate plans and resources exist to recruit, motivate, train, develop, obtain commitment from and retain its existing and future management.

### **Research Design**

The study used descriptive survey research design. It determines and reports the way things are in describing the possible behavior, attitude, values and characteristics of the respondents while using questionnaires as the appropriate too. In this case, close ended and open ended questionnaires were used to provide a representative sample from the large population of non-management hotel employees in this study.

### **Research Findings**

Respondents were asked about their satisfaction with the working conditions in their respective departments. The findings from this observation presented in the figure 4.5 below.



**Figure 4.5** Satisfactions with the Working Conditions of the Department

Majority of the respondents (fifty six percent) indicated that they were not satisfied with the working conditions of the department. The study also noted that, forty four percent of the respondents were satisfied with working conditions of the department.

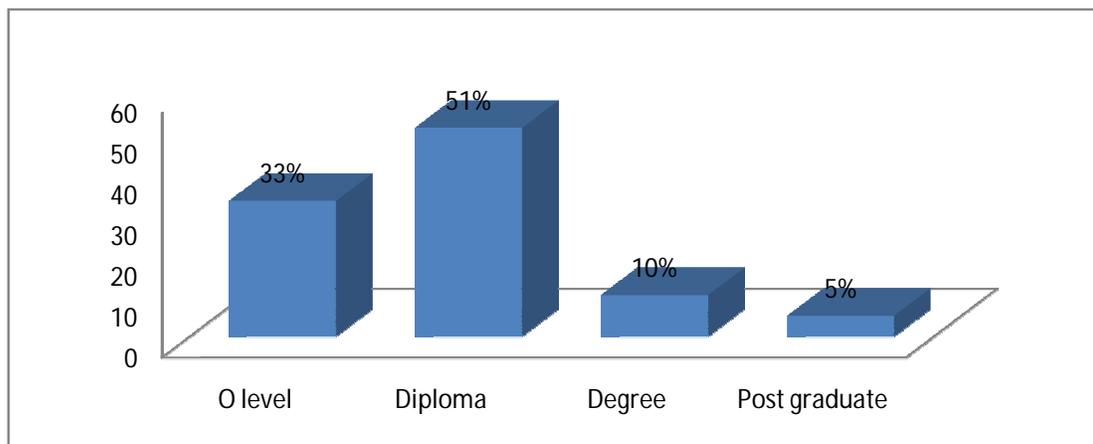
The employees also indicated that working conditions in the industry were unfavorable since one worked for longer hours which did not commensurate with the pay.

Respondents also indicated that the shifts did not favour them as they were not given opportunity to choose the hours and days that suited them. The study findings concurred with similar findings by Welman and Kruger (2001) as well as Hinkin and Tracey (2000) that, work in hotel industry had been characterized by unfavorable environments especially in non-management workers. Additionally, Leiper, (1999) is of the opinion that, such an environment gives positive results to employees who are not committed to the organizations they are working for.

The study further established that, workplace was stressful yet employers were expected to offer their very best services. Simultaneous production and consumption by customers does not give employees time-off. These findings of the study agreed with the views of Brownell and Judi (1998) and Lashley (2000) that hospitality industry employees are confronted with continuous crises and a great deal of uncertainties which create stress and also experience jobs that are tightly controlled, routine and monotonous which they attributed to the high rate of employee turnover in the industry.

### Findings on Demographic Characteristics of the Respondents by Level of Education

Respondents were asked to indicate their levels of education. The findings of the study were presented in Figure 4.2 below.



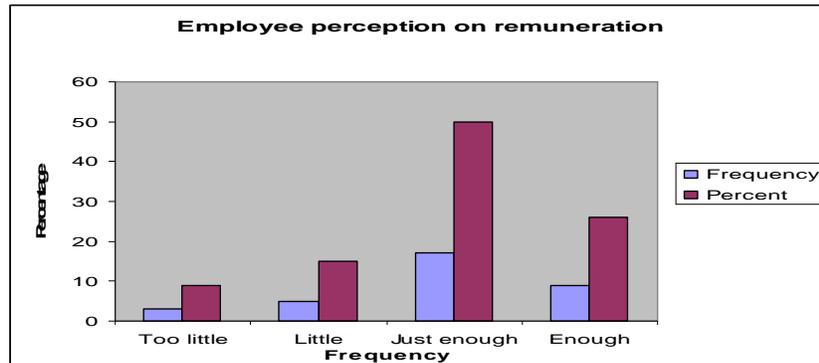
**Figure 4.2 Demographic Characteristics of the Employees by Level of Education**

The results in figure 4.2 show that, majority of the respondents (fifty one percent), had diploma certificate while thirty three percent studied up to secondary level (Kenya Certificate of Secondary Education) without any post secondary qualification. The study further established that, only ten percent were degrees holders and only five percent had post graduate qualifications. This confirmed the study by Riley (1996), that about two thirds or 64 percent of jobs in the hotels, restaurants and catering sector were either unskilled or semiskilled. According to Baum (1996) and Wood (1995), jobs in the hospitality industry are regarded as low status jobs with low payments and poor working conditions. He further attributes to the traditional importance and irreplaceable role of personal service rather than the formal training that the person has.

### ***Findings on Remuneration***

The study sought to establish the perception that the respondents' had with the remunerations they were receiving from employers.

**Table 4.8 Description on Remuneration**



According to the results in Table 4.8 above, 67 of the respondents (fifty percent) indicated that their salaries were just enough while 35 of the respondents (twenty six percent) indicated that their salaries were enough. Also from to results of the study, 25 of the respondents (nineteen percent) indicated that their remuneration was little and another 7 of the respondents (five percent) still felt that the salary they were receiving was too little.

The respondents equally indicated that they preferred to receive higher remuneration that commensurate with their work output. This may explain the causes of high rate of employee turnover as cited by Gupta and Shaw (2001) that, there is a strong relationship between pay and employee commitment to the organization. The results of the survey further concurred with Baum (1996) and Wood (1995) that, tourism and hospitality industry are characterized by low payment and poor working conditions. More so, where trainings and employees participation in the decision –making exist, employees feel motivated and this reduces the labour turnover. Plans that accommodate only the employers' needs may result in dissatisfaction, frustration, low morale and high turnover. Hence employees who are highly compensated are likely to stay longer in the organization (Zuber, 2001).

Asked to explain their answers, some respondents indicated that the salary was barely enough as they were struggling just to make ends meet. Respondents indicated that the salaries they received could not make them meet all their needs as they always lived in debts. The study established that in most of the respondent hotels, employees had not received salary increments for a long time and even where they received it was too little.

### ***Conclusion***

These findings concurred with Gupta and Shaw (2001) that pay is the most critical outcome of organizational membership for employees to stay on. Respondents described their salaries as poor, a pointer to their dissatisfaction with the employers therefore constantly looking for greener pastures.

The unconducive work conditions resulted to the employees developing work related stress and reduced employees' organizational commitment. This was evident where few hotels, if any had employees who worked to their retirement. Reigel (1995) asserts that, labour turnover can be desirable in some instances, especially when pay is linked to length of tenure. As a result, this study observed the employee resignation as the major form of labour wastage in both the three and five star-rated hotels in Nairobi.

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