# DEPARTMENT OF SOCIOLOGY UNIVERSITY OF NAIROBI

# An Investigation of Factors Responsible for High Labour Turnover within Nightclubs in Nairobi

BY

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UNIVERSITY OF NAIROBY EAST AFRICANA COLLECTION

A Project Paper Submitted in Partial Fulfillment of the Requirements for the Award of a Masters of Art Degree in Sociology (Labour Management Relations)

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## DECLARATION

## Student

This project is my original work and has not been presented for a award for a degree in any other university.

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This project has been submitted with our approval as universisting supervisors.

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# **DEDICATION**

This work is dedicated to Emily N. Kariithi and my Mother Florence Wavinya. Thank you both for believing in me and for your invaluable counsel.

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## ABSTRACT

Labour turnover occurs when workers leave an organization and need to be replaced by new recruits. It can therefore be described as the rate of movement (separations) from an organization in a given period. It can occur through resignations, dismissals and retirement. Although it can be healthy to an organization in terms of bringing in new employees to supplement existing skills and in keeping the organization competitive and in line with the dynamics of business, high labour turnover can be expensive in terms of advertising, recruitment and training, bad reputation, as well as cost of associated management and supervisory time.

High labour turnover is almost synonymous with the practice of labour relations within nightclubs. This study therefore sought to understand the factors responsible for high labour turnover within nightclubs in Nairobi, by seeking answers to the following questions: Do wages and salaries in this sector influence the rate of labour turnover?, does employee perception of labour laws impact on labour turnover?, and finally, does discrimination (ethnicity and sex) impact on labour turnover within nightclubs in Nairobi?

Thirty two (32) establishments were randomly selected from the seven (7) divisions of the city of Nairobi. A sample of 96 respondents was interviewed for the study including 36 key informants.

Findings from the study revealed that employees frequently change or leave nightclub employment mainly because of pay related issues. The other contributing factors include workers stage in life and thus age levels, human resource management structures, employee level of education and employer's approach to human capital among others.

One thing that came out clearly is that high labour turnover within nightclubs is evident and although it can be contained, it will require concerted efforts from the government (Ministry of Labour), trade unions, workers and more so employers to effectively reduce it. There is need to review most of the labour laws if they are to be applied equitably between the worker and the employer, the trade unions need to be more aggressive and committed to their covenant with the workers, and finally, there is need for the employers to change their attitudes towards their workers and probably seek to invest more wisely in human capital in order to get the expected return for their investment, while at the same time checking the rate of labour turnover in this sector.

### Chapter One

### Introduction

### 1.1: Background

Nightclubs operate under the guidance of The Hotel and Restaurants Act, Liquor Licensing Act and Public Health Act Laws of Kenya. Most of them fall under the category of a restaurant as stipulated in the Act. A restaurant is described as any premise which conducts the business of supplying for reward any food or drink, but does not include a staff canteen and/or any other premises where drinks or food is supplied only to persons who reside at such premises.

Nightclubs in Nairobi are licensed night entertainment venues where food and drinks are offered for sale. The venues are characterized by the presence of discotheques that attract a clientele of young adults and middle income earners. The industry has been growing over the years with more nightclubs and discotheques mushrooming all over the city of Nairobi and its environs. This has been necessitated by improved performance of Kenya's economy and restructuring of various sectors of the economy in the recent past. For instance, in the year 2004 there was remarkable creation of new employment opportunities in all economic activities, among them nightclubs (CBS, 2005). This growth had earlier been foreseen by Yambo (1980) who pointed out that among the eight industries examined, the service industry registered the greatest increase in the number of jobs created in Kenya in the post colonial period. Indeed, indicators of performance, on wage employment for the year 2005 revealed that the rate of job creation in the service industry has been on an upward trend, recording 2.2%, 2.6% and 3.6% in the year 2002, 2003 and 2004 respectively (CBS, 2005). In the same period, the hotel industry employed 151,400, 156,700, and 161,700 persons in the year 2002, 2003 and 2004

respectively, thus registering an average increase of 3.1% during the period (Economic Survey, 2005).

This growth notwithstanding, the nightclub industry is characterized by frequent resignations and high labour turnover, an aspect that has been attributed to poor pay and unfavourable working conditions the world over. Nzuve (1999) attributes the high labour turnover to low pay and discontent with the terms and conditions of employment. He observes that the main reason that triggers staff movement out of an organization is dissatisfaction with the terms and conditions of service. Thus, when employees feel insufficiently remunerated in relation to the existing industry pay and wage standards, they tend to be persuaded to renounce their jobs and move to other organizations that provide better terms and pay perks. Therefore, labour turnover occurs when workers leave an organization and needs to be replaced by new recruits.

This frequent movement of staff out of an organization can be a serious problem in terms of reputation, performance and profitability of the organization. However, a small degree of labour turnover may be desirable to an organization since it creates opportunities to introduce new ideas and expertise. This notwithstanding, persistent resignations and subsequent recruitment can be costly to an organization in terms of lost or delayed production, work interruptions, risk of accidents among inexperienced workers, and can also adversely affect efficiency and staff morale.

Some of the reasons that make workers to leave nightclub employment include voluntary resignation (due to various reasons e.g. health, job offers, etc), dismissal (including redundancy), and retirement. Voluntary resignations reflect a situation whereby an employee willfully terminates his/her contract of employment with an organization due to various work related issues such as poor pay, discrimination at the work place, etc. In the case of resignation, the employee initiates and controls the leaving process from an organization (Morrell, et al, 2001; Mobley, 1982). Hence, the focus of this study is to investigate factors responsible for the frequent resignations and change of jobs among nightclub employees (mainly waiters and waitresses), which in most cases are not foreseen by the management and can therefore have a particularly disruptive effect on the flow of the entire business process.

### **1.2: Problem Statement.**

Although the actual costs are difficult to estimate, high labour turnover can be expensive. To get some indication of the costs, organizations can figure it out by adding up the most obvious expenses e.g. those of advertising, recruitment and training, together with the cost of associated management and supervisory time. Nevertheless, these costs represent only a small proportion of the total cost of frequent resignations and the subsequent recruitment if one has to consider the long-term profitability of the organization. The annual total costs could well convince the organization (management) that time and effort spent reducing labour movement in and out of an organization (staff retention) is more cost-effective and worth considering for continued profitability.

The trend in nightclubs has been that of workers seeming to be outwardly happy and motivated at their places of work, but before long they move anyway. Thus, the superficial impression one is likely to form about workers in this sector is that of a reasonably motivated and passionate workforce, but the irony is that a majority of them rarely hold on to their jobs for long. This is distressing especially noting the fact that this sector is covered by two Trade Unions namely; Kenya Union of Domestic, Hotels, Educational Institutions, Hospitals & Allied Workers (KUDHEHIA) & Kenya Union of Commercial Food & Allied Workers (KUCFAW). The presence of these unions is arguably an indication that there is a competitive industrial relations structure in this sector. However, in spite of this, there is notably frequent resignations and change of jobs by its members from one nightclub to another. Where an industrial relations system has a well structured dispute settlement scheme, and where employees are adequately represented by a trade union in negotiation with employers, one should not expect quitting or changing jobs to be the first option when a dispute arises (K'opiyo, 2005). However, this seems to be the norm among unionized and non-unionized nightclub employees in Nairobi, and hence one of the main aims of this study is to examine workers avvareness of their industrial relations rights as provided by various legislations.

The frequent resignations in nightclubs can be viewed as a pointer to problems within various labour relations arrangements (e.g. Collective Bargaining Agreements) arrived at between employers and trade unions. It can also be postulated that the nature and structure of these collective bargaining agreements is such that workers find it easy to leave nightclub employment rather than seek trade union representation or follow the laid down industrial relations procedures. Hence, this study aims at investigating trade union activity among other factors thought to be responsible for the frequent resignations. More specifically, this study seeks to unearth explanations for the high mobility among the ever smiling and courteous but nevertheless, itinerant nightclub employees, by identifying the factors that keep them ever migrating and always changing jobs from one nightclub to another.

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Nevertheless, resignation and frequent employee migration in search of jobs is not peculiar to the hotel industry in Kenya only, but it has also been phenomenal the world over. Consequently, this paper proposes to investigate factors responsible for this trend within nightclubs in Nairobi so as to understand the problem better and hence attempt to find some tenable solution.

Furthermore, the factors responsible for labour turnover especially among Kenyan nightclubs has never been investigated and analyzed systematically. In fact North (1949) writing on African Labour Efficiency, reiterated that labour turnover has not been studied systematically in Kenya. A lot has however, been written on costs and implications of labour turnover in organizations, but there is as yet no universally accepted account or framework that explains why employees choose to leave employment. By pointing out that there is no accepted means of predicting the likelihood of workers deciding to leave in the future. Lee and Mitchell (1994), seems to support this assertion. Hence, this study proposes to investigate factors responsible for this phenomenon in order to understand the intricacies involved and possibly generate knowledge and ideas towards minimizing the rates of labour turnover in nightclubs in Nairobi.

The study was guided by the following research questions:

- 1. Do wages and salaries in this sector influence the rate of labour turnover?
- 2. Does employee perception of labour laws impact on labour turnover?
- 3. Does discrimination (ethnicity and sex) impact on labour turnover in nightclubs in Nairobi?
- 4. Does employee level of education impact on labour turnover?

## 1.3: Study Objectives

The overall objective of the study was to examine the causes of high labour turnover among nightclub employees in Nairobi. It seeks to explain the factors responsible for high labour turnover in this sector. In order to meet this broad objective the study sought to:

- Investigate how salaries and wages in this sector influence the rate of labour turnover.
- 2. Find out if employee perceptions of labour laws have an impact on labour turnover.
- Investigate whether the existence or lack of discrimination (on the basis of sex and/or ethnic criteria) influence labour turnover in this sector.
- 4. Find out whether employee level of education has an impact on labour turnover.

### 1.4: Justification of the study

Labour turnover has a double sided effect in any organization. It can be expensive - through direct and indirect costs (bad reputation, delayed production, etc), or constructive (through the injection of new ideas and expertise) when properly monitored. This study therefore proposes to investigate factors responsible for frequent resignations and thus labour turnover in nightclubs.

Hotels and restaurants are key contributors to the economy of this country. The sector for instance, has steadily contributed 12% of Kenya's Gross Domestic Product (GDP) from the year 1998 to 2003 (CBS, 2003). It is therefore

imperative to enhance this sector by developing and managing its human capital for continued efficiency and productivity. This cannot be achieved effectively without first understanding the factors responsible for the high rates of labour turnover and possible solutions to the same, a facet this study proposes to investigate.

The sector employed 151,400, 156,700, and 161,700 persons in the year 2002, 2003 and 2004 respectively, thus registering an average of 156,600 per year. Therefore, many Kenyans earn their livelihoods from nightclubs and as such, the role it plays in creating employment in Kenya cannot be over emphasized. It is thus, an important sector of the economy and should be improved in order to create more employment. Hence, for its economy to be properly harnessed a proper understanding of the factors behind frequent employee resignation is inevitable, hence the need for this study.

For any business to be profitable, there is need for a committed and stable labour force. However, a productive, stable and efficient labour force cannot be created and sustained where there is a high propensity to change jobs, especially within the hotel industry. This may suggest an underlying problem with the instruments for labour relations e.g. ineffective trade unions that needs to be investigated. It may also mean that there is high employee exploitation in terms of wage levels in this sector and/or appalling working conditions, hence the observed high labour mobility. This research therefore proposes to investigate these and other hypothetical explanations of labour turnover in this sector.

Granted, the study of labour turnover has not been systematically done in many sectors of the Kenyan economy. However, literature reviewed showed that some related topics, such as motivation, labour migration, organizational behaviour among others, have been widely researched in Kenya. Nevertheless, factors responsible for labour turnover among nightclub employees are yet to be explicitly identified and explained, hence this study proposes to do just that.

As cited elsewhere in this proposal, the current explanations of employee turnover do not offer either predictive or explanatory power. Therefore, we do not have an accepted system of predicting or explaining why employees choose to leave employment (Terborg and Lee, 1984). A gap in knowledge therefore exists in this area which this study proposes to attempt to bridge. This research therefore, endevours to contribute to the existing body of knowledge on employee turnover by generating new ideas and information on labour turnover within nightclubs in Nairobi.

## 1.5 Scope and Limitation

This study focuses mainly on the waiters and waitresses cadre of nightclub employees. The study investigated issues pertaining to wage levels, levels of education and skill, trade union representation and discrimination based on ethnicity and sex and how they relate to labour turnover within the nightclubs. Specifically, this study focused on sex, age, marital status, level of education, current and previous position held, previous sector employed, terms of employment, gross salary (current and from previous employment), duration of employment(current and previous), incentives provided if any, perception of statutory deduction and other labour related provisions such as employee representation, general issues such as male/female ratio and preference at the work place among others. However, this study was limited by time and finances and could only study nightclubs within Nairobi. A sample of nightclubs was randomly drawn from a list provided by the liquor licensing board and therefore, the study was sufficiently representative of the nightclubs in Nairobi. The study was limited to Nairobi because of its centrality and proximity to the researcher. The cost of conducting the study outside Nairobi was also another limiting factor. Due to limited finances therefore the researcher could only afford to conduct the research within Nairobi as opposed to other cities in the country e.g. Mombasa, and Kisumu among others.

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### Literature Review

#### 2.1: Introduction

Literature reviewed on leisure industry in the developed countries, specifically the United Kingdom reveal some labour issues in this sector that warrants examination in our local leisure industry. It showed that this sector is marred by problems that stem from its being perceived as a 'poor' employer. More specifically, employment in this leisure sector is characterized by:

- relatively low wages;
- unsocial working hours and patterns of work;
- weak equal opportunity policies,
- poor or non-existent career structures;
- informal recruitment systems,
- a lack of formalized systems of human resource management;
- lack of any significant trade union presence, and;
- high levels of labour turnover.

Wage rates tend to be low and generally, the sector offers reward packages that are lower than found elsewhere in the service sector. Besides, odd working hours and irregular shift patterns are prevalent. Much of the employment is highly seasonal, and usually coincides with internationally recognized national and international holidays. The result has been high labour turnover in this sector.

Despite, or perhaps because of a workforce in which women and ethnic minorities are overrepresented, equal opportunity policies are rare and the better paid, higher status and more skilled jobs continue to be held largely by men. The Commission for Racial Equality-UK (1991) report on employment in the hotels sector suggested that there were major, structural shortcomings in recruitment practices and that racial discrimination was a significant problem. The report further offers evidence of lower salaries for female graduate workers in the leisure industry, that cannot be explained by part-time employment, or even gaps from career development caused by child rearing etc (HTF, 1998).

Career structures are poor or non-existent in the leisure industry. There is also much use of casualized seasonal employment and employment security and opportunities for progression is limited to a very small segment of the workforce, mainly managers and trainee managers (HTF, 1998).

Recruitment practices tend to be informal, with significant reliance on word of mouth contracts. The widespread adoption of formalized 'good practice' models of human resource management and human resource development is lacking. The sector's deficiencies in people management practices are of long-standing. As early as 1971, the Commission on Industrial Relations (UK) pointed out the weakness or non-existence of well-developed, formalized personnel and industrial relations (IR) policies in the hotels and catering industry. The Commission also noted that "students returning from their industrial placement bring back remarkable stories of poor personnel practice from some of the 'best' UK hotels and restaurants, few have never seen a job description, disciplinary or grievance procedure or internally published salary scale, and many were required to work overtime at plain time rates or for no pay at all. The overall picture is one of ad hoc, informal practice which pays scant regard to professional standards.

There is a lack of any significant trade union presence. According to the third Workplace Industrial Relations Survey (WIRS), Hotels and Catering in the UK had the lowest trade union presence (3 per cent union membership, and union recognition in 8 per cent of the establishments) of any sector in the economy (HTF, 1998). This means that up-skilling based on a social partnership model and the Trade Union Congress's Bargaining for Skills initiative are liable to have minimal impact within this sector. All of these characteristics contribute to high levels of labour turnover.

A recent Hospitality Training Foundation (HTF) survey in developed countries, suggested an annual turnover rate of 48 per cent in hotels, catering, restaurants, and pubs (HTF, 1998). The Skill Needs in Britain survey (using a much smaller sectoral sample) suggested an annual turnover rate of 74 per cent. There is some evidence though that those employees who move out of the sector tend to be the more highly qualified members of the workforce. The main response from most employers in the

sector would appear to accept their employment situation as an immutable fact of life, hope for the best and try to work round the problems it causes on an ad hoc basis. As the HTF admitted in their submission 44 per cent of UK employers acknowledged that labour turnover was a problem, but they saw it as a way of life. However, majority the employers simply did not view labour turnover as a problem (HTF, 1998:16). From the literature reviewed the level of turnover locally could not be established.

Overall, this report underlines the difficulty of recruiting into the industry and then retaining people of the required skill in the face of a sectoral labour market that, offers people inadequate reward and career development opportunities than other sectors of the economy. Generally and concluding from the HTF report, human capital does not seem to be highly valued in this sector. In Britain and the developed world, this may be the case, but the alternative here in Kenya and other poor countries could be even worse – unemployment. Therefore, given these circumstances within the hotel sector in the UK, this study seeks to find out the labour situation within our local nightclubs (Nairobi) and specifically labour turnover. Hence, this study will explore some of those highlighted factors responsible for high labour turnover within nightclubs in Nairobi.

At one time, employees were considered just another input into the production of goods and services What perhaps changed this way of thinking about employees was research, referred to as the Hawthorne Studies, conducted by Elton Mayo from 1924 to 1932. This study found that employees are not motivated solely by money and that their behavior is linked to their attitudes. Hence, the emphasis of the human relations approach to management by the Hawthorne studies, whereby the needs and motivation of employees become the primary focus of managers.

Understanding what motivated employees and how they were motivated was the focus of many researchers following the publication of the Hawthorne Study results. Five major approaches that have led to our understanding of motivation are Maslow's need-hierarchy theory, Herzberg's two-factor theory, Vroom's expectancy theory, Adams' equity theory, and Skinner's reinforcement theory.

Although this research is not about employee motivation, the relevance of theories of motivation and human relations cannot be ignored. In this section therefore, the nature of labour turnover is reviewed in order to understand the concept and to put it in context within nightclub employment environment. Various methods of measuring labour turnover as well as motives behind labour turnover will also be discussed as presented by various organizational psychologists. A review of the factors responsible for labour turnover (namely, wage levels, trade unionism, levels of education and skill, and discriminations in terms of ethnicity and sex), will be carried out thematically and relevant studies will be revisited.

It is important to note that this is not a study on leisure, but a study on factors responsible for labour turnover within the leisure industry. Therefore, influential theories of leisure e.g. Max Weber's Protestant Ethic, Thorstein Veblen's Conspicuous Consumption or The Theory of the Leisure Class, and other sociological theories on leisure by such sociologist as: Kelly & Godbey (1992), Stanley Parker(1976), and Joffre Dumazedier(1974), may not be particularly very central to this research. This study will thus focus on some theories that profoundly and primarily touch on motivation and causes of human behaviour. It will therefore concentrate on two main theories, Maslow's Needs theory that dwells more on the employee than the organization, and Herzberg's two factor theory which is a dual approach to human behaviour and thus illuminates on the employee as well as the part that the organization plays in job satisfaction. To compliment these two theories, the study will also substantially review the social exchange theory.

Social Exchange theorists assert that social action is an exchange of (tangible or intangible) activities and rewards/costs among individuals. They also argue that people have always explained their conduct by means of its benefits and costs to them (Homans, 1961: 12-3). Thus, workers in employment will weigh the benefits and costs of their jobs and react by changing or staying on the job and hence, impact on labour turnover. Exchange represents the basis of human behavior and its pervasiveness throughout social life.

Motivational theorists see this exchange as purposive and usually geared towards fulfilling certain individual needs According to Maslow (1943), employees have five levels of needs: physiological, safety, social, ego, and self- actualizing. He argues that lower level needs have to be satisfied before the next higher level needs would motivate employees. On his part, Herzberg's categorized motivation into two factors: motivators and hygiene. Motivator or intrinsic factors, such as achievement and recognition, produce job satisfaction. Hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction. All these will impact on workers decision to leave and join other organization and therefore have an impact on the organizations labour turnover.

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### 2.2: The Nature of Labour Turnover

People are bound to join organizations for work and leave through resignations, dismissal, and retirement or because of some other reason. According to Nzuve (1997), these are normal actions in organizations. This movement in and out of organizations is what amounts to labour turnover. Labour turnover has been variously described by writers and scholars in social sciences. Nzuve describes labour turnover as the movement or the frequency with which employees leave and join organizations. Graham (1974) concurs with Nzuve by describing labour turnover as movement of staff into and out of organizations.

There are two main types of labour turnover, voluntary labour turnover, and involuntary labour turnover Resignation is a voluntary labour turnover, while dismissals, layoffs and retirement are involuntary labour turnover. There can also be zero tabour turnover. This occurs when no one leaves the organization and there are no new employees for a long period. Zero labour turnover is undesirable and unrealistic because it may lead to inbreeding and the possibility of the management becoming complacent and uncreative.

High rates of labour turnover can be costly to an organization in terms of reputation, performance and profitability. However, a small degree of labour turnover may be desirable to an organization since it creates opportunities to introduce new ideas and expertise.

Labour turnover is the result of a combination of a number of factors. Involuntary labour turnover is caused by the employer (e.g. terminations, etc), retirement or death. Voluntary labour turnover is caused by the worker because of various job dissatisfactions (e.g. poor pay, etc.). The decision to leave and join an organization is motivated by certain unfulfilled individual needs. The dissatisfactions arise where the organization is not in a position to cater sufficiently for the existing and emerging employee needs. Thus, the organization ceases to substantially provide the benefits or rewards that the employee anticipated in exchange for his human capital. This is captured by the Social exchange theory, Maslow's Needs theory and Herzberg's two factor theory. This is because social exchange theory describes change of behavior as a result of exchange of tangible or intangible social benefits, Needs theory describes change of behaviour as a result of unmet needs, while Herzberg's two factor theory describes the factors that makes workers leave employment.

Nzuve(1999) has written substantially on the main factors that trigger labour turnover. In his view the main reasons that account for this has to do with the terms and conditions of service. He argues that people join and work in organizations in order to satisfy their individual needs. Hence, as compensation for employees input in production, organizations provide rewards and incentives to workers. Organizations therefore will endevour to create attractive remuneration pay perks so as to pull and retain the best talent in the market.

He reckons that motivation, which is the process that energizes, directs and sustains behaviour is key to staff retention and significantly checks labour turnover. He identifies lack of recognition, staff training, career growth, challenging opportunities, money and tangible rewards as some of the factors that impact on staff morale and therefore labour turnover.

Labour turnover can thus be very high in organizations with poor working conditions, undesirable or boring jobs, pay disparities, and limited opportunities for advancement. When people are placed in jobs which they are not suited or qualified, or had not expected, the result is undesirable jobs and therefore job dissatisfaction. This may happen when management mismatches people and jobs and thus assign tasks to employees that are entirely unrelated to their training and skills. This results in increased job displeasure and motivates workers to move and seek other jobs in which they hope to find some job satisfaction as well meet their individual needs.

Labour turnover rates are strongly influenced by economic conditions (Nzuve: 1997). When there is recession and unemployment levels are high, labour turnover goes down. High unemployment rates reduces labour turnover because people realize that jobs are hard to come by, and thus hold on to their jobs unless they are sure another job is available. With a booming economy and plenty of jobs, it is assumed that labour turnover can be very high. An employee's stage in life can also affect ones stability in a job. Older and married employees who have been with an organization for a long time can be more stable because of their family responsibilities while the young and unmarried can be very mobile. The literature reviewed alludes to the fact that a majority of the workforce within nightclubs are young people without family responsibilities, hence their inclination to high labour turnover.

In summary, labour turnover is influenced by the organization's employment policy (i.e. wage levels, terms and conditions of service, job placement, etc), prevailing economic conditions, and employee personal issues (e.g. attitude, marital status, age, needs, etc). This study will attempt to establish the extent to which some of these factors (e.g. wage, age, needs, marital status, etc) have impacted on labour turnover among nightclub employees in Nairobi. In the following section, various methods of measuring labour turnover are reviewed.

### 2.3: Measuring Labour Turnover

Labour turnover is a great concern for Manpower planners and therefore there is need for it to be measured in order to put in place corrective measures to avoid future losses related to the phenomenon. Labour turnover is an organizational problem not only because of its obvious financial costs but also its destabilizing effects to an organization. It disrupts teamwork, causing adjustments on work groups and as a result, impacts on the quality of work and efficiency (Armstrong, 1999). Hence, measuring labour turnover within nightclubs in Nairobi, can greatly impact on their productivity and contribution in the economy. From the literature reviewed, few nightclubs if any are concerned about the measure and thus the rate of labour turnover. Nzuve (1997) argues that since labour turnover represent a permanent unavailability of an employee, it is important for an organization to analyze its labour turnover rate. He prescribes the following formula for measuring labour turnover;

Labour Turnover Rate=	Number of separations during the year	x 100
	Average number of employees on the	
	payroll during the year	

As observed elsewhere in this study, Nzuve (1997), points out that labour turnover rates are strongly influenced by economic conditions. When there is recession and unemployment levels are high, labour turnover goes down, while with a booming economy and plenty of jobs, labour turnover can be very high. High unemployment reduces labour turnover since individuals recognize that jobs are hard to come by and thus, tend to hold on to their jobs unless they are sure another job is available. Thus, besides the prevailing high unemployment levels, labour turnover has remained high within nightclubs, an aspect that alludes to other causes that these study set find out. The leisure industry is seasonal and therefore during peak periods employment levels can be high only to reduce during the

low seasons This study will attempt to find out whether the same situation applies to nightclubs in Nairobi and whether this impacts on labour turnover

Graham (1974), describe labour turnover as the movement of employees into and out of an organization. They give two common formulas used for measuring labour turnover, Separation or wastage rate and labour stability index. Separation or wastage rate is used to express the number of separations during a certain period, usually one year, as a percentage of the average number of staff employed during that period. Thus,

Labour stability index shows the percentage of employees who have at least one years' service, against the average number of employees employed one year ago. Thus,

Graham (1974) pointed out that labour turnover has adverse effects on an organization's profitability owing to its inherent costs. According to him high labour turnover leads to reduced production, low quality service and products and increased recruitment costs. It is imperative therefore, for organizations to monitor and work towards reducing labour turnover for sustainable productivity and profitability. To reduce labour turnover he suggested the following; firstly, management should re-calculate separation rates for various categories of the firm's employees and conduct a special investigation. Secondly, institute adequate selection procedures in order to place the right skill for the correct task. Third, ensure that the immediate supervisor (by being involved in the selection), feels responsible towards a new employee. Fourth, ensure that employees are fully utilized since an employee may leave employment because of boredom and job dissatisfaction. Fifth, Overhaul pay structures regularly, perhaps using job evaluation. Sixth, introduce an induction course. Seventh, invest sufficiently on employee training and finally, show employee growth prospects as being available by recruiting and promoting from within whenever possible. In summary, he postulates that the more a job meets personal needs of an employee the longer the employee will stay on the job and hence a decrease on the rate of labour turnover.

Like Graham (1974), Ian and Len (1997) describe two similar methods of calculating labour turnover. They argue that Manpower planners are concerned with labour turnover for purposes of replacement in order to maintain a constant number of employee resources in an organization. This analysis of wastage is based on what they call Turnover analysis and Labour stability index. Thus;

Turnover Analysis rate = Number of employees leaving in one yearx 100Average number employees in that year

Labour Stability Index = <u>Number of staff exceeding one vear's service</u> x 100 Number of employees employed one year ago

They concluded that employees are more likely to leave an organization in large numbers during orientation period than any other time.

As described elsewhere, Armstrong (1999) observes that there is need for Manpower planners to continually analyze labour turnover within the organization in order to identify and arrest in good time factors responsible for the phenomenon. Unlike the previous scholars e.g. Graham (1974), Ian and Len (1997), Armstrong suggested various methods of measuring labour turnover; Turnover index, Stability Index, Survival rate and Half life index.

He described Turnover Index or wastage as the number of leavers in a specified period divided by the average number of employees during the same period expressed as a percentage. Thus;

Turnover Index =	Number of leavers in a specific period	x 100
	Average number of employees during the same period	

Armstrong views stability index as an improvement on the Turnover Index. Thus;

Stability Index =Employees with at least one years service or morex 100Number of employees employed one year ago

According to him, this index is meant to measure the continuity of employment. It thus provides an indication of the tendency for longer serving employees to remain with the company.

Survival rate is the proportion of employees who are engaged within a certain period who tend to remain with the organization. Half Life Index is derived from the survival rate calculations. It refers to the time taken by a group or cohort of starters to reduce to half its original size through labour turnover. Comparisons can be made for successive entry years or between different groups of employees in order to identify where action may be taken to counter undesirable labour turnover trends.

Turnover Index is the easiest and most familiar method of measuring labour turnover. However, it should be supplemented by some measure of stability as an analysis of labour turnover. The calculation shows the percentage of employees who have left the organization during a particular period. It is important to note that the number of leavers (or separations) include all permanent separations excluding those employees who have been laid-off. A lay-off unlike a dismissal is at the discretion of the employer mostly due to overstaffing or economic factors such as shortage of raw materials or recession.

Graham (1974), Ian and Len (1997), and Armstrong (1999), all underscore the importance of measuring labour turnover because of its adverse effects on an organization's profitability. According to them high labour turnover leads to reduced production, low quality service and products and increased recruitment costs. It is imperative therefore, for nightclubs to monitor and work towards reducing labour turnover for sustainable productivity and profitability. This is because they are key contributors to Kenya's GDP, (above 12% p.a., CBS, 2003) and if regular measuring of labour turnover can be implemented, then their (nightclubs) contribution to the economy can be even higher

The next section will, examine the basic factors that trigger human action and behaviour in institution and the society at large, more specifically labour turnover among nightclub employee in Nairobi.

### 2.4: Motivators of Human Behaviour

Past studies on human behaviour and motivation are essential in guiding our understanding of job dissatisfaction and the root causes of the factors that make workers renounce their jobs. The underlying assumption in all theories on human behaviour and motivation is that there are certain catalysts that drive and sustain behaviour in human beings. Such organizational psychologists as;

Maslow (1954), McGregor (1957), Argyris (1957), Likert (1961), and Herzberg (1966), concur that human behaviour is not completely disorganized and without motivation. They viewed human personality as consisting of multiple elements that relate or work together to produce some degree of apparent balance. These elements or needs can be classified into three broad categories, the physiological, social and egoistic.

Physiological needs also termed as primary or basic needs, are those that result from the necessity to sustain life; i.e. food, shelter, clothing etc The other two categories, social and egoistic needs are often termed secondary since they are more nebulous or imprecise and intangible. Social needs are those needs for physical association and contact, love, affection and acceptance. Egoistic needs are derived from the necessity of viewing one's self or ego in a certain manner or esteem. Egoistic needs include the need for recognition, independence, and achievement.

A combination of these physiological, social and egoistic needs or the dominance of any or one of them, determine how nightclub employees are likely to behave and thus respond to their work environment. According to the organizational psychologists, human behaviour is initiated and directed by various individual needs within those three levels, i.e. physiological, social and egoistic categories. This means that nightclub employees will respond to their jobs to the extent in which these jobs meets their particular needs, hence impact on labour turnover. For instant, the cost of living in the city today is very high and as such, nightclub workers need to take care of their basic needs such as housing, food and clothing among others. In the event that their current jobs don't meet those needs sufficiently, they will always be on the go searching for jobs that would bridge the gap, hence labour turnover.

Argyris (1957) and McGregor(1957), came up with two similar theories to explain human behaviour More specifically, McGregor came up with two opposing theories (i.e. theory "x" and theory "y"). He made a list of assumptions about human nature in both theories as follows:

Theory x:

- I. Work is inherently distasteful to most people.
- II. Most people are not ambitious, have little desire for responsibility, and prefer to be directed.

- III Most people have little capability for creativity in solving organizational problems.
- IV. Motivation occurs only at the physiological and safety levels.
- V. Most people must be closely controlled and often coerced to achieve organizational objectives.

Theory y:

- I. Work is as natural as play, if the conditions are favourable.
- II Self-control is often indispensable in achieving organizational goals.
- III. The capacity for creativity in solving organizational problems is widely distributed among the population.
- IV. Motivation occurs at the social, esteem, and self-actualization levels.
- V. People can be self-directed and creative at work if properly motivated.

Based on these assumptions, McGregor hypothesized that the use of Theory "y" is highly conducive to increased work productivity as a result of the workers' feelings, that they are an integral part of the organization and that they do, in fact, contribute a great deal towards the attainment of organizational objectives. On the other hand, the assumptions of theory "x" can be used to explain the high labour turnover among nightclub employees in Nairobi. This is because according to the theory work is distasteful to most people and as a result they will keep on changing jobs with the hope of finding a relatively satisfying one, thereby impacting on labour turnover.

Mayo's results from his earlier studies at Hawthorne were generally the same as McGregor's theory "y' (i.e., that paying attention and showing interest in work groups would itself lead to increased productivity - "the Hawthorne effect"). The informal work groups were in effect substituting the lack of social interaction and communication experienced in highly fragmented, individuated and specialized work tasks. They showed that when workers feel that they are part and parcel of the organization and have a sense of belongingness, they stay longer on the job. This will likewise affect the rates of labour turnover within the organization. The Hawthorne experiments by analogy indicate that if nightclub employers would pay more attention to their employees and support their welfare associations and other groups, the rates of labour turnover would be minimized. However, many nightclubs may not recognize those work groups such as trade unions, co-operative associations among others. Some nightclub employers, may discourage or even prohibit their employees from taking part or being members of other recognized workers association, hence enhancing fragmentation and individualism among the workers, an aspect that creates tension, disharmony, suspicion, sidelining and dissatisfaction and thereby leading to labour turnover.

Chris Argyris (1957) subscribes to the same general conclusions reached by the earlier organizational behaviorists. According to him, an individual passes through several stages before he is considered to be "mature." He places the extremes of these stages on a continuum and suggests that as one moves along the continuum he gains individual and personal "maturity." Among these stages is moving from passiveness to increasing activity; from dependence to independence, from subordinate positions to equal or super ordinate positions, having long-term perspectives, developing deeper interests and behaving in many ways to satisfy their needs.

He further suggests that due to the bureaucratic and sometimes paternalistic nature of many organizations, most individuals never really reach full "maturity" in all of the areas he puts forth, but they do move to some state of "maturity," relative to their earlier state of "immaturity." He argues that many organizations are structured and managed in such a manner that immature, infant-like behaviour is required for retention and success. An employee is required to submit to orders, plans, policies, procedures, and rules as given without individual input. Argyris (1957) further argues that management purposely stagnate individual progression to "maturity" through such principles of scientific management as unity of command, task specialization, and span of control. He says that in management's push for organization and control they stifle the individual worker's creativity and thus, in fact, discourage increased productivity and job satisfaction.

Faced with this incongruity of organizational demands and mature human needs, both Argyris (1957) and McGregor (1957) suggested that employees will adapt to the environment by leaving the job that insults their personal integrity by attempting to advance to higher positions where there is more freedom and autonomy, or by resigning oneself to a frustrating situation and adopting an attitude of apathy and disinterest. They postulate that organizations harm human beings through management styles based on assumptions that employees are immature and irresponsible. Given this is the case within nightclubs, then employees will thus tend to change jobs in search for better ones hence impact on labour turnover.

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Both Argyris and McGregor, present a challenge to management namely, that workers must be given more individual and organizational responsibility, thereby resulting in greater job satisfaction and increase in productivity and consequently, a lower rate of labour turnover.

Likert (1961) describes three areas of human motivation i.e. the ego, security, and economic motive. The ego motive is responsible for the desire of growth, achievement, recognition, and acceptance. The security motives describe the desire for new experience, curiosity and creativity. Finally, the economic motives are realized by tapping all the motives which yield favourable and cooperative attitudes to the workers

These motives trigger human action and behaviour in society according to Likert. He removes the part played by the institutions in shaping individual behaviour. In a nutshell, it can be concluded that Likert suggests that these motives will determine employee job satisfaction and therefore their decision to either stay on the job or leave and look for alternative job in case of dissatisfactions. According to him therefore, nightclub employees change jobs frequently because their ego is suppressed, such that they perceive that they are not achieving enough, recognized or their growth curtailed. Also nightclubs tend to have high labour unnover because the workers are explorative, and have the desire to experience new work environments. All these combined with the economic motives has led to the high rate of labour turnover in nightclubs.

According to Maslow, employees have five levels of needs (Maslow, 1943): physiological, safety, social, ego, and self- actualizing. Maslow argued that lower level needs had to be satisfied before the next higher level need can motivate employees. Thus these needs will determine nightclub workers decision to take or leave employment and thus impact on labour turnover. Herzberg's work categorized motivation into two factors: motivators and hygiene. Motivator or intrinsic factors, such as achievement and recognition, produce job satisfaction. Hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction. Both factors therefore influence nightclub employee's decision to change jobs and therefore impact on the high rates of labour turnover in these organizations. These two scholars, Maslow and Herzberg and their theories will be discussed further under the theoretical framework section.

Though organizational psychologists (Herzberg, McGregor, Argyris, and Likert), recognize the needs of human beings in relation to their organizational behaviour, they have tended to focus more on what needs to be done in order to efficiently achieve organizational objectives. Maslow's approach however, attempts to focus more on the human being and his needs rather than organizational environment. His theory emphasizes the core human needs that drive an employee to join or leave an organization. All those scholars and their approaches to human behaviour seek to explain why human beings behave the way they do in organizations. They attempt to describe human behaviour at the work environment and why it tends to be active and productive at certain periods as well as disinterested and therefore less productive at other times. These approaches bring out the motives (e.g. growth, curiosity, achievement, job security, pay etc) that trigger individuals to join or leave organizations. They were all aimed at finding better methods towards motivating employees and making them more resourceful for longer within the organization.

This section so far has brought forth a number of key motivators of human behaviour. These include among others; Physiological, Security, Social, and Esteem needs and at the apex, self-Actualization needs. The following section will focus on the operationalization of those motivators within the nightclub work environment. By so doing, an attempt will be made to relate these motives with the measurable factors responsible for labour turnover within nightclubs in Nairobi (i.e. Salary and wages, Levels of education and skill, Trade union representation, and Discrimination at the workplace i.e. in terms of ethnicity and sex).

### 2.5.0: Factors Responsible For Labour Turnover.

In the previous section, Abraham Maslow brought forth some of the key factors (Basic, Safety and Affiliation needs among others) that trigger human action and therefore human behaviour. These motives can be likened to Herzberg's intrinsic factors (i.e. recognition, responsibility, achievement, advancement and personal growth). From Maslow's needs theory we argue that individuals take up jobs as a means towards fulfilling their personal goals and objectives such as getting money to support their families among others. Their decision to stay on the job or leave employment is determined by the extent to which the job is able to sufficiently meet their potent needs (physiological, safety, affiliation etc) and whether the job has the propensity for future advancement

and personal growth Put differently, individuals usually take jobs and are willing to offer their services in exchange for some rewards (tangible or intangible) that they presume will take care of their needs and personal improvement. The greater the utility of these rewards the longer they are likely to stay on the job. The product of all these considerations within the work environment is Labour turnover because if a job is not meeting workers goals they will choose to leave otherwise they will stay on employment.

Arguably, we can assert that the employer or the organization has the power to substantially control the rates of labour turnover. This can be done by wisely investing on recruitment and selection policies that first and foremost aim at matching people (education and skill) with jobs, and putting in place wage policies that cater not only for physiological (lower level) needs of workers but also higher level needs. By so doing, the organization will have synchronized to some extent its objectives and the goals of its work force. This may not be the case with nightclub employment, hence an aspect that may explain the high rates of labour turnover among the nightclub workers.

In addition to the above, industrial relations structures such as trade unions also need to be put in place in order to ensure the continuance of the balance of social exchange between the organization and the employee. The efficiency of trade unions can determine the extent to which the employer can violate the social contract between him and the worker. Trade unions in their various sectors also ensure all workers have equal opportunity at the workplace and that no individual is discriminated against. Therefore, workers have a conducive working environment where (trade unions are in operation) they can pursue their goals without fear of ethnic, race, or sexual related biases, thereby having their needs fulfilled and consequently lower rates of labour turnover. The converse (i.e. inefficient trade unions) leads to the compromised trade unions, dissatisfied nighclub workers, and therefore high rates of labour turnover. Thus, trade union efficiency or the lack of it has an influence on the rate of labour turnover within nightclubs.

So far, we have seen that the key motivator of human behaviour is his potent needs. In this section we will examine the factors that enable or impede individual efforts to satisfy these needs, factors that make him choose to retain or leave employment in search of a better job thereby impacting on labour turnover. The employer or the organization plays a role in this through its policies and attitude towards its employee as seen in the theories of McGregor (1957), Argyris (1957) and Herzberg(1966). This is mainly through salary and wage levels and equity, working conditions,

advancement opportunities etc. The impact of wage levels on labour turnover will be examined in this section.

Trade Union also play a central part in that it is meant to negotiate effectively with the employer on behalf of the workers for better pay, and other general terms and conditions of service. Its failures or successes will determine the satisfaction levels of the concerned employees and therefore the rate of labour turnover. Trade union activity and its impact on labour turnover will thus be ascertained in this section.

The employee is a key stake holder in labour turnover phenomenon. His potent needs at any given time are greatly influenced by his ability to satisfy them in terms of his position in the organization plus his level of education and skill. Thus, one's level of education and expertise is likely to determine his position within the organization and also his competitiveness within the labour market. In this regard, the employee level of education and skill will be examined in relation to its impact on labour turnover.

Discrimination at the workplace is an aspect that can influence the rate of labour turnover, whereby those who perceive to be disadvantaged/discriminated against, are likely to change jobs. Discrimination in terms of ethnicity and/or sex is more felt in organizations and institutions than generally out in the market place. Both terms (ethnicity & sex) carries a connotation of discrimination and seclusion. Discrimination is likely to create dissatisfaction among nightclub employees because it can be applied for unequal allocation of resources (opportunities, rewards, wage-levels etc) in the organization. The discrimination may involve limiting the access to rewards and opportunities to some groups while making them freely accessible only to those members that belong to the privileged group in the nightclub. This breeds acrimony among workers and increased job dissatisfaction and more often than not, leads to resignations, sackings and frustrations that may lead to change of jobs and hence high labour turnover among nightclub employees. Therefore, in this section we shall examine how various forms of discrimination at the work place impact on labour turnover. The focus will be mainly on the impact of ethnicity and sexual biases to labour turnover within the nightclubs in Kenya.

### 2.5.1: Trade Unionism and Labour Turnover.

As cited elsewhere in this paper, the presence of trade unions in any organization signifies organized labour, strong bargaining power and better terms and working conditions. On the other hand, absence of trade unions indicates the reverse of the above and worker exploitation is assumed to be worse. Given the above, we can therefore postulate that trade unions have a potent impact on workers decision to retain or leave employment in nightclub. One of the core functions of trade unions is to protect workers rights and privileges and continuously engage in discussions and negotiations with the employer in order to improve the working lives of employees.

Thus, in a situation where workers can easily be exploited by the employer, it is important to appraise the organization which purports to articulate their interests and needs (i.e. Trade Union) especially within the nightclubs, which have notably frequent resignations. The Hotel sector and therefore the nightclubs are represented by two different trade unions, Kenya Union of Domestic, Hotels, Educational Institutions, Hospitals & Allied Workers (KUDHEHIA) & Kenya Union of Commercial Food & Allied Workers (KUCFAW). Their presence is an indication that there is a competitive industrial relations structure in this sector, and hence one would not expect high labour turnover among the nightclub employees.

There are undoubtedly many aspects of these two trade unions which can be scrutinized as a means of assessing its past performance and future potential for effective representation of its members. However, this section will review the core objectives of trade unions and how they relate to labour turnover especially in nightclubs.

Wamayi (1980), argues that the so called freedom of contract in the light of grave scarcity is a myth because the employer at all times calls the tune at the work place. He can hire and fire at will because he has the economic muscle that enables him to dictate and influence the contents of employment contracts. Mutunga(1980) observes that legal relations are fundamentally derived from economic relations. He further argues that the law of contract treats unequals as equals, and although the Kenyan law has tried to mitigate this, the fundamental principle still remains, the worker is disadvantaged economically in relation to his employer. The trade union comes in to add some strength to the weak bargaining power of the employee who has no economic muscle (Waw-Ochola, 1974). Trade unions therefore help consolidate the limited bargaining power of workers

into a formidable collective bargaining power. House(1975), comments on this by asserting that trade unions exert power on employers to raise wages above the opportunity cost of labour. On the other hand employers respond by substituting capital for labour. The derived result is higher labour productivity for the organization and improved livelihoods for the workers.

Through this arrangement, trade unions function to ensure that a relative balance of exchange exists between the employer and the worker. In addition, the products that proceed from these arrangements (e.g. Collective Bargaining Agreements – CBA's) are put in place to ensure job security for the employee. Therefore, an active and efficient trade union (for instance, Kenya National Union of Teachers – KNUT) would ensure that worker's needs are realistically and sufficiently fulfilled, and consequently lower rates of labour turnover in the sector. This is likely not the situation with the trade unions that represent nightclub workers, because of the high labour turnover among them. Arguably therefore, the inefficiency of trade unions in nightclubs has a lot to do with the high labour turnover among nightclub employees.

The main objective of any trade union is to maintain or improve terms and conditions of employment, both economic and social (Robertson & Thomas, 1968). This includes maintaining and improving wages, working hours and conditions of labour. This in itself relates to more than just rates of wages or earnings measured in monetary terms or other payments and conditions settled by collective bargaining. Improving the terms and conditions of service is also concerned with what wages can buy, considering the cost of living, prevailing costs of commodities and services, as well as opportunities for individual social development. Thus, in its attempt to secure an agreeable Collective Bargaining Agreement, trade unions go beyond the modalities of the job itself by seeking to ensure that both the lower as well as higher level needs of the worker are well taken care of in the final document. This ensures that employees are relatively satisfied and therefore chances of changing are slim, if not totally absent. It is likely that KUDHEHIA and KUCFAW have not largely managed to provide this assurance to the nightclub workers and hence the high rate of labour turnover.

From the above therefore, we can assert that the trade union movement at large is concerned with the opportunities which exist for the worker to enjoy his working life. This notwithstanding, the trade union movement exist to extent the influence of working people over the policies and purposes of the industry and to arrange for their participation in its management. Trade unions, therefore seek to make workers key industry players by aggressively propagating their interests and hence their centrality in business. When this centrality is absent, the nightclub worker ceases to be important and the result is superficial treatment by the nightclub employer. Consequently, the nightclub employee becomes continually dissatisfied, his growth and development is curtailed, and sooner than later decides to change jobs hence, impacting on the nightclub labour turnover.

The London Union Congress listed the following as the main objectives of trade unions;

- Improved terms of employment
- Improved physical environment at work
  - Full employment and national prosperity
  - Security of employment and income
  - Improved social security
- Fair share in national income and wealth
- Industrial democracy
- A voice in government
- Improve public and social services and
  - Public control and planning of the industry.

The above were taken as the broad objectives of trade union movement in the United Kingdom. Robertson & Thomas (1968) identified a number of objectives that justify the formation and existence of the trade unions. Firstly, trade unions exist to redress the bargaining disadvantage of the individual worker, vis a vis the employer, by substituting joint or collective action for individual action. The second objective is to secure the maximum wage consistent with full employment of a union's membership and consistent with the member's leisure-income choice. Thirdly, trade unions exists to secure greater security for the worker, protect his job (against other workers, redundancy etc), to ensure he is well taken care of when sick, injured at work, to ensure job and income security needed by workers during their working lives, among others. This aspect of job security and therefore continuously improved income are some of the aspect that workers consider when taking or leaving a job. This two aspects (job security and improved income), which are also key concerns of trade unions therefore play a central role in labour turnover. It is therefore, likely that KUDHEHIA and KUCFAW have failed to secure job security and improved income to the nightclub workers have tendencies of changing jobs frequently and hence the high labour turnover in this sector. Robertson and Thomas further argue that trade unions came into existence in order to secure improved status for the worker at the work place. This includes measures to ensure that the employee is not bullied, victimized, punished unfairly, or discriminated against in any way. This objective is related to industrial democracy which implies a desire for a substantial degree of participation in the management of the individual enterprise. Discrimination at the work place can be key factor in labour mobility. Thus if KUDHEHIA and KUCFAW have not dealt sufficiently with issues concerning undue victimization and/or discrimination of nightclub workers, then we can arguably say that their inefficiency has led to the high labour turnover in the nightclubs.

Trade unions seek to also promote the continuity and development of their organization. This is manifested by the efforts invested by the trade unionists to ensure that their members keep their jobs and are continuously satisfied with their jobs. Finally, Robertson and Thomas identify the sixth objective of trade unions as that of promoting the interest of working class as a whole in relation to other groups, in political, economic and social matters. Thus if KUDHEHIA and KUCFAW could promote zealously the interests of nightclub workers it is likely that the rates of labour turnover would be manageable.

Johnson (1971) undertook to study the effectiveness of trade unions in urban Kenya. He attempted to explain individual hourly earnings from a large sample containing information on such personal characteristics as levels of education, length of stay in Nairobi, age, sex, private or public sector employment, and whether the person was a Union member. The wage rate was taken as an index of the standard of living of union members. He concluded that union wages were 30 per cent above non-union wages in private industries, and 11 per cent higher in government employment. The power of trade unions over wage negotiations among other factors cannot therefore be ignored. According to him the results appeared to be most consistent with the view that trade unionism was the principle cause of improved wages in Kenya. This experience can also be traced in the recent past whereby the Kenya National Union of Teachers and other trade unions in various sectors (e.g. Kenya Power & lighting Company, the Civil Servants etc), worn in their negotiations on pay rise. Trade unions thus play a central role in an employee's levels of earning. Hence, their activity and ability to achieve their objectives will at the end of the day influence nightclub employee's decision to join or leave employment and thus impact on the rate of resignations and labour turnover.

The main function of trade unions therefore can be described as that of continuously improving the working life of an employee. They function in order that workers can continuously meet their various needs in life (i.e. lower as well as higher level needs), through their jobs in organization. Trade union movement therefore assists in reducing and checking dissatisfaction at the work place by propagating for better terms and conditions of service. They function to minimize job dissatisfaction or what Herzberg called "hygiene" factors, while at the same time, maximize job satisfaction or the "motivators" (e.g. achievement and recognition). Needless to say, the activities of trade unions play an important role towards workers job satisfaction and thus impact on their decisions to change jobs. When trade unions are aggressive, workers tend to be relatively satisfied and therefore lower rates of labour turnover while the converse is arguably true. It is likely that KUDHEHIA and KUCFAW are not as aggressive and effective and hence the high labour turnover among nightclub employees. This study will therefore attempt to explore the relationship between trade union representation and high labour turnover among nightclub employees, among other aspects in its scope.

### 2.5.2: Wage Levels and Labour Turnover.

In the previous section, we saw that the presence of trade unions in a particular industry, their activities and efficiency tends to impact on an employee's decisions to leave or stay on employment and thus have an impact on labour turnover. We also argued that wage index is used in most cases to gauge the effectiveness of a trade union because  $i_1$  is money that buys goods and services that enhance individual's living standards and social worth. This section will focus on earnings (i.e. wage levels) and its influence on labour turnover within nightclubs in Nairobi.

Freund(1988), argued that if capitalism has a meaning, it is as a mode of production in which wage labour is generalized within productive labour and where wage workers have no alternative to wage labour for the procurement of the necessities of life. This essentially means that salaries and wages are central to any employment relationship, other terms and conditions of service notwithstanding. The centrality of wages in monetary terms is pronounced because individual needs are as diverse as there are people. But money harmonizes their needs in that it forms and remains the common denominator of trade and industry. The more of it one has, the greater the utility at his disposal and therefore the more value one can add to his life, i.e. all other related factors notwithstanding. Green (1966) attests to this by arguing that salary and wages have an impact on workers life styles. He argues that higher wages tend to result in increased buying power, increased consumption, and

hence increased production. It is therefore not surprising that one of the greatest objectives of trade unions is to negotiate for better salaries and wages for their members. We can therefore argue that wage levels are major push and pull factors in the labour market and therefore a great influence to rates of labour turnover. Thus, the lower the wages the higher the likelihood of high rates of labour turnover and vice versa.

Extensive literature exists on income differentials and labour migration (Labour migration or mobility in this section is used to refer to movement of workers through change of jobs - and thus labour turnover, from one organization to another within the same locality or to different locations). Ladinsky (1967), in a study on migration of professional workers in the United States, argued that salary differentials are second to age as predictors of labour migration. Sahota's (1968), study on Brazilian interstate labour migration found that wage differentials operated as a major pull factor. When studying migration to urban areas in India, Greenwood (1971), found the magnitude of ruralurban income differential was so large that rural residents had little regard for rural employment opportunities. Ownor (1974:44-45), studying the primacy of determinants of rural-urban migration in Kenva found that wage differentials were a major pull factor. Rempel (1981:94-96), found out that the pattern of rural-urban income differential has a distinct monetary advantage for rural residents in Africa who obtain urban employment. He further found out that the differential is positively related to the length of stay in town and the migrant level of education. The positive influence of income or wage differential on labour migration can be used to explain the propensity of workers to change jobs from one organization to another and hence labour turnover. Therefore the importance of salaries and wages as core determinants of labour turnover cannot be over emphasized. Thus, given the dynamic nature of the global economy, the growing popularity of nightclubs as viable business ventures in Nairobi, and the obvious competition for consumers, the new and upcoming nightclubs are likely to offer attractive salaries and wages in order to attract and retain the best employees in the sector. This is therefore likely to influence nightclub workers getting low salaries to move to nightclubs offering better wages, hence impacting on labour turnover.

During the early stages of the development of the African nations (i.e. 1950's to 1960's) most scholars viewed the labour market as being unresponsive to wages. This kind of labour situation was refered to as *Backward Sloping*. This was a situation in which rural migrants would take jobs in urban centers in order to raise a particular amount of money. When their goal was achieved they

would resign or just abscond and return to their rural areas and hence utilize the money for purpose they had earlier intended. The assumption was that this trend would be repeated in future incase such needs or others arise. This kind of labour trend was highly inconveniencing to the producers who sought to keep wages low so as to retain the workers for longer periods.

Berg (1967), refuted this contention by stating that when wages rise, many do not quit their jobs, implying that wages affect the actions of an individual even in a poor and developing economy. This was illustrated by some study conducted by Elkan back in 1958 which examined the relationship between wage levels and the rates of labour turnover. The table below shows the findings of the study.

 Table 2.1: Nyanza Textile Industries – Annual turnover rates by tribe & wage grade 1962, as a percentage of those serving in each tribe group.

Tribe	Grade 1& 2	Grade 3 & 4	Grade 5 & Over	
Ganda	24	12	9	
Soga	22	6	8	
Others(migrants)	22	9	5	

Source: Mauri Yambo (1980)

Table 2.1 above shows three things; firstly, all groups of workers have lower rates of turnover the higher they are in pay scale. Secondly, the rates for migrant workers show the greatest variation, contradicting the assumption that workers are not responsive to wages. Thirdly, in the highest grade the migrants have the lowest rate of turnover. Effectively therefore, workers do respond to economic incentives. Arguably therefore, nightclub workers are likely to respond to economic and wage initiatives and thus move to nightclubs that offer better pay package or stay on the jobs where they consider the wages competitive. In the light of the above data, it was concluded that wages are a significant factor in the creation of a stable and permanent labour force, and hence wages impact on labour turnover. Therefore, the higher the wages, the lower rates of labour turnover and the lower the wages the higher the rates of labour turnover.

Vogel (1968), in his study on economies of East Africa established that as wages increase so does labour stability. He also found out that the higher wage earning groups had a lower labour turnover than that of the lowest wage-earning groups. This is an indication that low wages is likely to increase the rate of labour turnover while high wages has a relatively stabilizing effect on labour turnover. Herzberg (1966) viewed salary and wages as one of the extrinsic factors that contributes to job dissatisfaction. He thus viewed wages as a push factor from organizations that pay poorly and as a pull factor to organizations that have better pay for their workers. More often that not, the main cause of voluntary resignations is attributed to poor pay. Green (1966), agrees with this in his research on *Wage levels, Employment and Productivity*, by pointing out that the higher the wage levels for any given number of employment opportunities, the greater the number of persons seeking to obtain those jobs. Green also argued that the basic determinant and concern of most job seekers or those seeking alternative jobs is the level of wages. Thus, wage levels contribute towards nightclub workers decision to change jobs. Thus, when offered a slightly higher wage than their currently wage, nightclubs.

Low wages often leads to inefficient utilization of labour and the inability to build up a stable labour force with average levels of skills (Green, 1966). On the other hand, higher and better wages, in many cases lead to workers holding on to their jobs for longer and in the process acquire more skills because the management provide better training, close supervision, and better job allocation (i.e. match people and jobs), in order to maximize the labour capital invested on their "higher cost" employees. This view was also shared by House (1977) in his paper *The Kenya Employment Problem*. House chose to investigate the impact of institutional intervention as practiced by multinational corporations, in order to explain the wage and employment situation in Kenya. He observed that high wage levels offered by large foreign owned firms in Kenya lead to increased labour efficiency and productivity. The cause of such productivity was attributed to higher wage levels offered in those organizations in relation to the others in the market. This leads to better nutrition and health of the workers in these organizations (higher living standards), and as a result, reduced labour turnover (House, 1977:4).

House argued that it is imperative for any organization that wishes to ensure a constant flow of profits now and in the future to purchase low labour turnover through a wage strategy he referred to as *Institutional Intervention Policy*. This is because low wages more often than not lead to high

labour turnover and low labour efficiency. He summarized the institutional intervention policy as follows;

Assuming a firm desires to maximize the present value of a stream of profits overtime, and given that labour turnover greatly increases the risk of being able to maintain profits in the future, a firm may choose to invest some current profits in higher wages. Provided such an initial wage increase guarantees a "reserve army" of visibly unemployed at the factory gates, the firm provides the current employees with a powerful incentive to remain at their jobs for longer. Once stability has been accomplished, the firm will continue to pay above the prevailing market rates because of the increased labour efficiency made possible by the low labour turnover. To initiate this whole process a firm must have sufficient financial resources to purchase the advanced technology and to absorb the initial higher wage costs.

This is the wage policy that multinational firms employ in order to remain continuously profitable and by so doing they attract and retain the best talent in the market. Although other factors responsible for labour turnover such as poor working condition, etc cannot be overlooked, House (1977) presents a cogent argument for wage levels as a basic push and pull factor for labour turnover in organizations. The hotel and nightclub sector cannot be left out in this analysis. Nightclubs have been associated with low pay and hence the high labour turnover. If they could borrow from House's policy of institutional intervention by investing on higher wages, it is likely that nightclubs can greatly check and control the rates of labour turnover among their employees. According to Green also, wage levels determine staff retention and hence impact on workers decision to leave or join an organization thereby influencing labour turnover.

Vogel (1968) asserts that high wage levels stimulate workers to seek employment from the concerned organizations. He argues that there is a high correlation between the income available at home (wage level at current job) and the incidence of migration. Eliot Berg, in Vogel (1968), maintains that a man's needs are not specific and undefined; rather they are plastic and increase as the individual is subjected to competitive wage earning environment. He suggests that individuals are rational beings whose behaviours are triggered by economic considerations. They rationally decide the economic viability and therefore pros and cons of leaving or staying longer on a

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particular job. He argues further that it is the level of an individual's income that is the decisive factor in determining the quality and quantity of labour which he will offer and where in the labour market. He affirm the exchange theory citing money or wages as the most preferred form of rewards in exchange for labour services. According to him therefore wage levels in nightclubs influence labour turnover among nightclub employees, such that the higher the wages the lower the rates of labour turnover, while the lower the wages, the higher the rates of labour turnover.

Maxwell (2001), shared this view in his book <u>Be A People Person.</u> He gave a list of the best ten ways to reward good work and gain approval, and on the top of the list was money. Others include; recognition, time off, a piece of the action (added responsibilities), assigning workers to tasks they enjoy doing, advancement, freedom, personal growth opportunities, staff get-together (special time together), and gifts (Maxwell, 2001:100). These are forms of reward that are likely not to be extended to nightclub employees hence the preference of high rates of labour turnover within nightclubs. He further argued that, when we reward a person with something that is meaningful to him, we are encouraging him as well as increasing his self esteem and personal worth. According to him money talks; it tells an individual how valuable he is to whoever pays his salary. Almost everybody responds to praises and raises and therefore wage levels will evidently determine one's decision to change jobs and therefore the rates of labour turnover, while the lower the wages, the higher the rates of labour turnover. This study therefore, will attempt to ascertain this relationship of wage levels and rate of labour turnover, among other factors in its scope.

#### 2.5.3: Levels of Education and Skill.

In this section we will attempt to examine how a certain level of education and training is an asset to an individual, an asset that increases his employability chances and therefore how this aspect impacts on the rates of labour turnover in an organization. The term education will be used in its broadest sense. It is not limited to formal schooling and training or any informal arrangement (e.g. training on the job) that constitutes a cost-effective means of acquiring skills. Education means just that, acquired knowledge or skill. To understand the concept better and to fit it within the context of labour turnover in nightclubs, two dominant views about education and work will be examined.

Anderson (1982) observes that education implies the accumulation of human capital, and just like any capital stock, the more human capital formation that takes place, the higher the productivity of workers. Higher level of education and training has always been attributed to competitiveness in terms of demand and employability in the labour market. Although problems of high unemployment may persist and in some cases institutional barriers to upward mobility may be quite strong, in most places people with high levels of education and scarce technical skills have a competitive advantage over those with lower levels of education and training (Carmel, 1982). We can therefore postulate that due to this advantage, the rates of labour turnover among people with higher levels of education and training in comparison to those with lower levels may be higher. This is because of the demand that may exist in the market for such people unlike the lower level category where supply can be much higher than the demand in the labour market, if we were to use economic terms.

There exists two dominant views about the relationship between education and work and each of these views is embedded in a larger framework of assumptions about the role of school in servicing society (Henry, 1980). The first consists of a philosophic view that derives from the notion that education represents a mechanism of social growth. The second represents a more instrumental view that education is a device for increasing social efficiency. Each framework has very different implications for the connection between education and work.

The social growth framework represents the blueprint of the moral or humanist imperative, while the social efficiency view is one that is driven by the need to accommodate the preparation of youth to the demands of existing reality. This view (social growth framework) has its roots in the functionalist approach of anthropology and sociology. On the basis of a functionalist analysis, the schools can be understood as a response to the need to prepare workers for the technological requirements and social organization of modern work enterprise

In education for social efficiency the schools exist as part of a broad system of socialization that is designed to create adults who are competent in satisfying the demands that society places on its adult members. In general, the objective of socialization is to produce competent people, as defined by the particular society. It aims to develop a person who can take care of himself, support others, conceive and raise children, vote, fill an application form, etc (Inkeles, 1966:265)

Both views agree on the fact that education is meant to prepare people to face challenges of life. People thus invest in education and training so as to increase their competitiveness in all spheres of life. This is reflected in the labour market in that labour force participation rates in most countries positively relate to educational attainment. Lower levels of education and training do little to enhance productivity and development of the society because individuals at this level are not sufficiently socialized and therefore competent enough to face the challenges of the modern work enterprise. Higher levels of education and training have been associated with better livelihoods in a number of ways. Improved education has been attributed to greater ability to adapt to new market conditions, to access wider social networks, and to utilize more productive technologies. In addition, higher levels of education have always been associated with enhanced living standards and it potentially assists individuals to maximize their future life choices (mead, 1999).

Mark (1974) argued that between any two groups of individuals of the same sex, and age, the group with more education of whatever kind will have higher average earnings from employment than the group with less, even if the two groups are employed in the same occupational category in the same industry. He further argued that everyone tends to earn more as they grow older and acquire more work experience, but the person with more education will tend to start off at a higher salary and this differential will widen with age right up to the last years before retirement. These are of course, mean earnings of cohorts with different levels or years of education. In this regard we are not stating that every university graduate earns more than every high school graduate, but the general tendency is nevertheless unmistakable.

Therefore, if Mark's (1974), argument is anything to go by, we can postulate that better and highly educated workers will always have a better remuneration than their lower educated counterparts.

Thus, nightclubs workers who have relatively higher levels of education than their colleagues and are subjected to the same working conditions, pay and growth opportunities among other factors, are likely to change jobs more frequently hence register higher labour turnover. There are three competing explanations as to why employers pay more to better educated workers. The first explanation is an economic one and it is the popular notion that education imparts vocationally useful skills which are in scarce supply. The second is a sociological explanation that education disseminates definite social values, in effect recruiting children into the ruling elite of the society. The final explanation is a psychological one that education acts as a screening device to select the most able people for the best jobs. These three explanations can be summarized as follows; that better educated people have scarce skills, and influence and therefore easily stand out from the rest. Hence, they have a better bargaining power in the labour market vis a vis the lower educated majority. Thus, education level of nightclub workers is also likely to influence their decision to stay or leave nightclub employment and therefore lead to high labour turnover.

The economic explanation is that better educated workers earn more because they are more resourceful and productive due to their knowledge and skill. Productivity in economics is equivalent to scarcity (Mark, 1974) and therefore someone is highly productive if he possesses something that is extremely scarce. Skills that are costly to acquire in terms of money and other resources will tend to command higher earnings. Employers will therefore tend to hire better educated workers for higher wages in relation to the less educated employees. Employers will also easily hire them for complex jobs that involve initiative and drive and the less educated workers for all other jobs.

Thus, there is a tendency to lean heavily on education qualifications as an index of certain personal characteristics. Education credentials also act as surrogates for qualities which the employer regards as important because they predict a higher level of performance. As seen elsewhere in this paper, the employment policy of multinational firms is based on investment on high cost labour force which in most cases is attributed to the highly educated and better trained cadre of workers. It is also argued that this is done intentionally because lower levels of education and training represent labour inefficiency, high rates of labour turnover and therefore lower productivity and minimal profits. Although the economic returns from the nightclub sector seems good (CBS, 2003), it is likely that it can be much better if the high rates of labour turnover can be reduced among other factors.

It is therefore assumed that there is a relationship between levels of education/training and labour turnover, whereby the higher the level of education/skill one possesses in relation to their position in the organization, the higher the rate of labour turnover. As seen above, the better educated categories are usually scarce and hence the reason organizations have hierarchical chain of command, with just a few at the apex and the majority down the pyramid. The competition for job opportunities increases down the pyramid as the level of education and training decreases. Thus, when nightclub workers with higher qualifications are given the same position and remuneration as those with lower qualifications, they are likely to consider searching for alternative jobs hence impacting on labour turnover in the sector.

This can be explained by what Carnoy (1980), called labour segmentation. Carnoy viewed the labour market as subdivided into several segments with each characterized by a certain level of education and training. He postulated that as the third world countries continue to educate their population, the jobs previously held by workers with primary level education will slowly be taken by workers having secondary level education as more secondary school graduates continue to flood the labour market. He argued that employers will replace low educated older workers with more highly educated and more productive younger workers. He however, observed that an individual can improve his chances of being employed by increasing his level of education and training.

Therefore, because of the supply and thus the numbers of labour force with low levels of education and training their price in the labour market is low. They lack competitiveness and therefore their bargaining power is very limited. There is thus a possibility that employers may tend to frustrate and exploit this category of workers thereby causing job dissatisfaction among them. Given these circumstances therefore, the propensity to be sacked or even resign and leave employment is higher in this group, in the event of another job offer paying the same or a slightly higher wage but with some conceived improvement on working conditions. This situation is likely among nightclub employees in Nairobi given the emerging growth of nightclubs within the city.

Vogel (1968), shared this view from his study on labour migration. He found out that education had a push and pull impact on migration and on patterns of labour stability. At independence, most indigenous people were motivated to acquire better education by the good wages earned by individuals with sufficiently higher levels of education. In the 1950's and 1960's, these levels of education were essentially lower and upper primary. However, as the countries increased their outlays on education and training their population became more literate and their labour force acquired more skills. These developments in turn raised the expectations of the new entrants who considered traditional low-wage jobs (such as waitress/waiters), unacceptable. The result in many countries has been a surplus of educated workers in search of elusive high status jobs that the market can only afford to give to a smaller number of the very best and more educated among them (Palmer, 1971).

The result for the majority with low levels of education, who found less paying jobs in hotels and nightclubs, was dissatisfaction and increased frustration. Due to these frustrations, Vogel argues the workers were motivated to leave their current jobs in search for better paying ones. According to him higher rates of labour turnover coincided with the high levels of education. He illustrated these using studies done in the then East Africa Tobacco Company and Nyanza Textile Industry. The tables below show the results.

Table 2.2: Separation Rate by Education Level and Length of Service East Africa TobaccoCompany

Education Level	0-3 Months	4-6 Months	6 Months & Over
Nil – Primary III	75	15	10
Primary IV – VI	71	11	18
Source: (Palmer, 197	: 1)	L	

Table 2.3: Turnover by Education Level Nyanza Textile Industry

Education Level	Rate of Turnover as a Percentage (%)		
Nil – Primary III	69		
Primary IV – VI	78.5		
Secondary 1 and Over	91.6		
(0.1			

Source: (Palmer, 1971)

The above data reveals several things; firstly, there is a drastic reduction in the rates of turnover after three months service. The probable cause is that after three months of service the worker becomes used to the routine of industrial labour, he develops the salient communication skills and makes friends. He acquires the necessary information that can enable him project his future with the organization.

Secondly, there is a significant difference in the rates of turnover of those with a primary iii education, and those with a primary iv education level, a difference that is almost two to one.

Thirdly, after six months there is a significant increase in the number of workers who decide to leave their job. The most likely explanation for this is that, it took six months to realize that they could be a success elsewhere and now they were looking around for a better job with a higher pay.

Fourthly, there is a steady increase in the rates of turnover as the level of education increases. The suggested explanation for this type of labour turnover was that the higher rate of turnover among secondary educated people implied oscillation between agriculture (self-employment) and wage employment. This high rates of labour turnover can also be explained by the inability or the unwillingness of the organization to cater for the higher needs of its best producers by virtue of their high levels of education and therefore marketable within the industry.

Thus far, this section has revealed that, levels of education and training among the workers can impact on the rates of labour turnover. As Vogel (1968) found out, there is a tendency for those with relatively high levels of education and training to have higher rates of labour turnover than their low level counterparts. This can be due to the fact that they possess scarce skills that make them more marketable than the less educated colleagues among other factors. Therefore, nightclub employees with higher qualifications are likely to change jobs frequently given their expertise and marketability vis a vis their lower qualified counterparts.

Labour turnover rates can also be higher among individuals with low level education and training than those highly educated and possess special skills. This is due to the fact that their supply exceeds their demand and therefore their price in the market can be very low, if market forces are anything to go by. Majority of them therefore can be assumed to be dissatisfied with their low wages and thereby can be easily persuaded by a small wage difference when offered a job elsewhere. This is likely to be the scenario among nightclub workers majority of whom, are believed to be secondary school leavers.

On the other hand, we can argue that employers value workers with high levels of education and specialized skills because of their productivity and therefore go out of their way to retain them as is the case with the multinationals. Individuals with low levels of education and training are easily replaceable and thus rates of labour turnover among them can be higher than that of the highly educated workers. This study will therefore attempt to examine this situation within the nightclubs in Nairobi and find out whether levels of education among the workers actually impact on labour turnover.

#### 2.5.4: Discrimination at the work place and Labour Turnover

The primary goal of this section is to understand how inter-group relations and the dynamics of group experience within organizations impact on labour turnover. Cities are showcases of colourful ethnic contrasts, as well as the arenas of inter-group conflict. It should be noted that life in the city may shape the nature of ethnic experience. However, ethnicity is not confined to the city, but the diversity of an urban population makes it particularly evident there. In this section we will focus on discrimination at the workplace based on ethnicity, and sex factors and their impact on the rates of labour turnover in organizations, and particularly among nightclub employees.

In order to avoid confusion of terms, it is necessary to distinguish among discrete concepts that unfortunately are often run together in practice. Of central concern are the concepts of ethnicity, ethnic group, and minority group. Stated simply etl nicity refers to <u>a quality of experience</u> based upon attachment to a culturally distinguishable group (ethnic group), that is contained along with other groups within a particular society. An ethnic group members share the sense of a distinctive origin and experience. The term minority group identifies a group whose members share a subordinate political position marked by some disadvantage and degree of powerlessness, as well as some conscious conception of themselves as a distinct group. Skinner (1975), refers to an ethnic group as a socio-cultural entities which, while inhabiting the same state, or economic area, consider themselves biologically, culturally, linguistically, or socially distinct from each other and most often view their relations in actual or potential antagonistic terms. A minority group may or may not be an ethnic group. Examples of minority groups include; women, handicapped persons, pastoralists, among others. Thus it may not be assumed that an ethnic group is typically a minority group. In fact some ethnic groups are majority groups but the important point is that ethnicity is a concept altogether independent of inter-group conflict or power relations.

Ethnicity cannot exist in isolation (Cohen, 1981). That is, this form of group self-awareness comes about as a result of contact between two or more groups. The term ethnicity is usually reserved for instances in which the groups interact within the borders of a common society. The content of the ethnic experience is multifaceted and rooted in recollections and expressions of a common culture. Shared values and beliefs, norms of behaviour and tastes, a feeling of membership involving shared group memories and loyalties, and a tendency towards endogamy may be the features of this common culture.

Ethnicity refers to the *quality of bondedness among individuals*. Milton Gordon (1964), simply referred to it <u>as a shared feeling of peoplehood</u>. In this light ethnicity may be most usefully seen as a social construction. Cohen argues that;

"what we must realize is that the patterns of behaviour that we call ethnicity are not the products of the idiosyncrasies of individuals, but the collective representations of a group. They are certainly rooted in psychic processes that are subjectively experienced. But the symbolic formations in which they are expressed are social constructions which are impressed in the minds of members through continuous socialization. Once they are externalized and adopted by a group they become collective and objective, assume an existence of their own, so to speak, and confront the individual from the outside" (Cohen, 1981, 322).

When this externalized shared feeling of peoplehood is considered when allocating rewards and punishments in the process of social interaction, then it is argued that ethnicity factor has been used to single out a particular ethnic group for differential and unequal treatment in relation to others in a society.

Ethnicity is more felt in organizations and institutions than generally out in the market place. The term carries with itself a connotation of discrimination and seclusion. It can be applied for unequal allocation of resources (opportunities, rewards, wage-levels etc) by a majority ethnic group in an organization or a dominant small ethnic group against the others. The discrimination involves limiting the access to rewards and opportunities to some ethnic groups while making them freely

accessible only to those members that belong to the privileged ethnic group in the organization. Discrimination is justified by a wide spread belief in inferiority, unworthiness and threat of domination by some members of particular ethnic groups. These groups may be perceived more or less to possess certain characteristics such as laziness, craftiness, dishonesty, or disloyalty, which is used to justify the unequal treatment. Thus the inter-group relations will be characterized by prejudice, which provides the justification of discrimination. This breeds acrimony among workers and increased job dissatisfaction and more often than not, leads to resignations, sackings and frustrations that translates to de-hiring and thus, has an impact on labour turnover.

The most politically charged issue in Kenya today is the real and perceived existence of ethnicity. Yambo (1980), cited this in his study on ethnicity and sex inequality in the occupational structure. He observed that ethnicity was real in Kenya and that there was subsistence of ethnic inequalities in the allocation of scarce resources; employment, land, access to loans, trading licenses, schools, health care, housing etc. He argued that ethnicity becomes a problem not simply because ethnically distinct groups must share the same scarce resources, but because this distinctiveness is exploited for unequal gain. According to Mazrui (1975), post-colonial African states tended to adopt an ethnocratic system of government, that is, a system based on either ethnic exclusivity, or ethnic division of labour, or quantified ethnic balance. Although ethnicity has permeated government institutions, other considerations also come into play when making government decisions and policy, but not solely ethnic considerations as put across by Mazrui.

Nonetheless, ethnicity plays a significant role in job allocation and therefore in employment and recruitment especially within the government institutions. This largely refers to a labour market or state bureaucracy characterized by the structural dominance of one ethnic group over others. The ethnic and racial distribution of leading officials in Kenya's central government in the years 1969 and 1972, show that Kikuyu representation among such officials actually increased from 30.3 per cent of the total, to 41.4 per cent during that period. The Kalenjin, Coastal people, Taita, Embu/Meru and Somali enjoyed increased representation. The Kamba experienced the greatest relative decline, followed by Luo, Maasai and Lughya. Kikuyu representation in the central government positions in the year 1972 compared to 1969, was approximately twice as great as the latter. This ethnic inequality was also evident in other Kenya's occupational structures such as the parastatal bodies (Yambo, 1980).

The empirical evidence suggests that serious ethnic cleavages do exists in Kenya's occupational structures. People are concerned about how scarce resources (including employment), are distributed and allocated. Ethnicity is therefore a matter of public discussion, and ethnic discrimination a source of organizational acrimony and thus a push and pull factor of labour turnover. This study will therefore endevour to examine the impact of ethnicity and other sex related discrimination, on employee's decision to leave or join nightclub employment, and hence its effect on labour turnover.

Nightclubs are entertainment venues that mainly operate at night. Sex matters cannot be totally overlooked in the world of entertainment showbiz, and hence the reason to examine sex related inequalities among nightclub workers. In spite of the debates and programmes on gender awareness and promotion, there continues to be considerable public indifference to the low level of women participation in Kenya's labour markets. Male-female variations in human capital investment are themselves largely a function of discrimination right from the family level to the organization. Concerning Sex inequalities, Yambo observes that the attitudes which have confined girls and women to the home as opposed to the labour market, have also, until lately, denied them equal access to education and training and thus rendered them less mobile socially and geographically. The female gender has always been disadvantaged in almost all spheres of the society. The labour market is no exception as pointed earlier. We cannot therefore ignore the role played by sex considerations in the labour market and how discriminations based on sex inequalities at the work place impact on the rates of labour turnover.

Sex related biases can be structured such that they are in favour of the female gender as opposed to men. We can argue therefore that, this can also be a form of sex inequality whereby men are discriminated against in favour of women. A study carried out in the United Kingdom in 1994 revealed that in terms of gender composition, females accounted for 73 per cent of the sector's workforce (Prism Research, 1997:5). This showed an existence of preferential treatment of women over men in this labour market. Thus, the male gender is likely to be disgruntled and seek ways and means of redressing the situation. It suffices to say therefore, that this form of discrimination will have an impact on the worker's decision to join (especially women), or leave employment (men) and seek alternative jobs; and hence affect the rate of labour turnover within nightclubs.

# 2.5.5: Employee Perception of Labour Laws and Labour Turnover

This section primarily examines the legal framework under which nightclubs are established as well as some of the pertinent labour laws that govern labour relations in this sector. Nightclubs operate under The Hotel & Restaurants Act Cap 494 The Public Health Act Cap 242 is also central in the establishment of a nightclub. The most important of all is the Liquor Licensing Act Cap 121 which is regulated by the Office of the President under the Provincial Administration. Under this Act a Licensing Board is usually set up chaired by the Provincial Commissioner and vets various applications and makes a decision on who is to be licensed to operate based on location(residential, commercial, etc), time of operation (e.g. Day/Night), and mode of operation (e.g. retail, wholesale, distributor, etc). The licenses are then issued accordingly and can be revoked upon the breach of the instructions therein at any given time. This study will focus on the clubs that the Liquor Licensing Board refers to as the *Props* which are usually licensed to operate at night with some licensed to operating both day and night.

Upon the establishment of the nightclubs, the employment relationship on the face of it, has no much difference from that in other sectors of Kenya's economy. The rights and obligations of the parties are similar to those that arise out of any employment relationship. Apart from the express terms and conditions of contract, there are the implied rights and obligations of the employer and employee. The implied duties of the employer include mutual respect, duty to provide work, remuneration when there is no work, to indemnify the worker etc. The implied obligations of the employee include fidelity to employer, obedience, good behaviour, confidence, etc.

The terms and conditions of employment are governed mainly by four Acts of Parliament. The Employment Act Cap 226, and Regulation of Wages and Conditions of Employment Act Cap 229, make rules governing wages, housing, leave and rest, health and safety, the special position of the juveniles and women and termination of employment(Owiti, 1990). Cap 229 sets up a process through which wages and conditions of employment can be regulated by the Minister in-charge of labour matters.

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The Factories Act Cap 514 deals with the health, safety and welfare of an employee who works in a factory. The Workmen's Compensation Act Cap 236 provides for ways through which an employee who is injured when on duty may be compensated by the employer.

The law allows both employees and employers to form associations for the purpose of organizing themselves and exercising their collective strength. The most important of such associations are Trade Unions. Whenever disputes arise, either among employees or employers, or between employees and employers, certain stipulated procedures are followed in seeking solutions. These procedures are provided for by the Trade Unions Act Cap 233 and Trade Disputes Act Cap 234.

Unfortunately many employees are ignorant of these legal provisions and employers often take this advantage to exploit them. To achieve maximum profits, employers have tried to keep labour costs at a minimum level while placing exorbitant prices on their goods and services (Hajee, 1981). Reduction of labour costs means placing a ceiling on the wage levels of workers. This has profound effect on employees because by getting relatively low wages the workers standards of living in turn remain low; their housing, clothing, food, and in fact every aspect of their lives. Besides the downward pressure on wages, reduction of labour costs in the leisure industry is achieved by laying down strict rules of conduct for employees to instill discipline and efficiency in work performance (Hajee, 1981). The slightest misbehavior by an employee may earn him summary dismissal.

We can arguably say that the Kenyan Labour Laws do not recognize the disequilibrium in terms of bargaining power between parties to an employment contract. The employee has always been on the receiving end largely because of his ignorance or total disinterest on what good there may be within the labour law. Thus the Law of contract has essentially been used by the employer as a tool of exploitation and intimidation to the detriment of the workers. Some employees may resign due to the harsh working conditions or work related frustrations so as to seek employment elsewhere hence impacting on labour turnover. The above notwithstanding, workers perceptions and attitudes to labour laws to some extent, may alleviate some of the atrocities that they face in their working lives. Owiti argues that many employees are blackmailed by their employers when losses or damage of property take place. Because of ignorance or fear, employees are often threatened with being reported to the police. They sometimes quietly accept deductions from their wages in order to avoid termination. They also sometimes accept deductions or termination to avoid being taken to court (Owiti, 1990). Therefore, employee attitudes and perception of labour laws is important in

employment relationships because it can provide the basis on which the employee can choose to stay or leave an exploitive employment engagement. Thus, workers perceptions and attitudes towards their labour rights, to some extent can explain their job changing patterns and therefore labour turnover at large.

# 2.6: Theoretical Framework

As pointed out earlier in this chapter, this study will focus on two main theories, Maslow's Needs theory that concentrates more on employee needs than the organization; and Herzberg's two factor theory which is a dual approach to human behaviour and thus focuses on the employee as well as the part that the organization plays in job satisfaction. To compliment these two theories, this study will also review substantially the social exchange theory.

## 2.6.1: Herzberg Two Factor Theory

Herzberg (1966), in his two factor theory, reinforced the Freudian theory that human beings have two basic needs; the need to avoid pain and survive and the need to grow, develop and learn. He proposed that the primary determinants of an employee's satisfaction are factors intrinsic to the work that they do. He called these factors "motivators" and they include the work itself, recognition, achievement, possibility of growth and advancement. These factors are concerned with the job itself rather than its surrounding physical, administrative or social environment. He argues that if the worker is truly motivated, the job itself will be the major source of motivation and therefore enough reason to stay much longer with the organization. In other words, Herzberg emphasizes the importance of matching people with jobs. Nzuve (1997) agrees with Herzberg by arguing that when people are placed in jobs which they are not suited or qualified for or had not expected the result is dissatisfaction. This will act as a catalyst for them to leave and seek alternative jobs which they hope will sufficiently meet their needs and thus impact on labour turnover.

Herzberg views job dissatisfaction as being determined by a secondary set of factors that are extrinsic to the job itself. These factors "Hygiene factors" are caused by the environment over which the employee has limited influence. Typical of these hygienic factors are pay (salaries & wages), interpersonal relationships, supervision, company policy and administration, working conditions, status and security. Herzberg indicates that these factors do not serve to promote job

satisfaction rather their absence or presence can create dissatisfaction. Nevertheless, the presence of hygiene factors can serve to eliminate dissatisfaction. His theory is summarized in the table below;

Hygiene Factors	Motivators (Factors leading to extreme satisfaction)		
(Factors leading to extreme dissatisfaction)			
1. Company policy and administration	1. Achievement		
2. Relationships with supervisor	2. Recognition		
3. Relationships with subordinates	3. Work itself		
4. Relationships with peers	4. Responsibility		
5. Personal life	5. Advancement		
6. Work conditions	6. Growth.		
7. Supervision			
8 Salary			
9. Status			
10. Security			

Table 2.4:	Factors	affecting	job	attitudes	(Herzberg)
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Source: Cole (1997)

For Herzberg, motivation is a function of the job itself and the prevailing terms and conditions of service within an organization. According to him, a relationship exists between the overall nature of a job and employee satisfaction. It is therefore important for organizations to have explicit strategies for dealing with differences among workers when designing jobs and assigning people to them. This is because matching people to jobs has an impact on job satisfaction and therefore an influence on labour turnover.

The theory stimulated a great deal of empirical research, some of which was designed to test the conceptual validity of the theory and some of which assessed the usefulness of the implications of the theory for redesigning jobs. Of particular note in the latter regard was a series of generally

successful job-enlargement studies performed throughout the American Telephone and Telegraphic system which were based on principles derived from the Herzberg theory (Ford, 1969).

Hackman & Lawler (1971), were among the researchers who set out to test Herzberg's two factor theory. In a study designed to test the ideas set forth above, data was collected from some 200 employees of a telephone company in the United States.

The primary purposes of the research were to determine (1) the overall relationships between job characteristics and employee work attitudes and behaviour, and (2) whether or not the reaction of the employee to his work is dependent on the particular kinds of satisfactions he values.

Thirteen different jobs were assessed on four "core" dimensions (autonomy, task identity, variety, and feedback), and the strength of desire for higher-order need satisfactions of employees working on these jobs was assessed. Level of desire for higher order need satisfactions was measured by asking employees how much they would like to obtain relevant kinds of personal outcomes from their work (e.g., feelings of personal growth and development, feelings of accomplishment, etc.).

The average employee in the company was found to be fairly high in self-described desire for higher-order satisfactions (the overall average was 6.01 on a seven-point scale, which is high even assuming a moderate amount of social desirability impact on the questionnaire responses).

Therefore, it was expected that across all employees there would be a positive relationship between the four core job dimensions and employee work motivation, satisfaction, performance, and attendance. The expectation was confirmed: in general, the "better" an employee's job (in terms of the core dimensions), the more positively he responded to it, both in attitudes and in behaviour and hence the longer he was likely to stay on the job. Of special interest is the fact that when jobs were high on the core dimensions, employees reported having higher intrinsic motivation to perform well. That is, employees indicated that when they performed well on such jobs, they experienced positive internal feelings; and when they did poorly, they felt badly. On jobs, which were low on the core dimensions, they tended not to have such feelings.

Consistent with the framework outlined above, it appears that jobs high on the core dimensions establish conditions where some workers can obtain personally rewarding experiences by doing

well on the job. The data suggest, moreover, that "doing well" as interpreted in the job context has much more to do with high-quality performance than with producing large quantities of work.

The core dimensions do not relate either to internal pressures for high-quality production or the actual quantity of work produced. This fits with the notion that employees with strong higher-order need feel positively when they have accomplished something that they feel is meaningful; it is not unreasonable that such workers would see doing high-quality work as a much more meaningful accomplishment than simply turning out large quantities of work. These conclusions can be related to the levels of employee job satisfaction and the propensity to renounce job. If a job is more fulfilling and enjoyable to an employee, it can be assumed that the job sufficiently meets the essential needs of an individual. Thus, the probability of that worker resigning would be minimal. The reverse of this can also be assumed to be true. Hence, the richness of a job in terms of responsiveness to an employee's needs will very much affect his decision to leave or stay longer on the job and thereby impacting on the rate of labour turnover.

Pushing further on this argument, Hackman and Lawler (1971), and Hackman and Oldham (1975), postulated that one of the most important components of organizational effectiveness is the attention and detail paid to the design of work tasks. They held the view that "multi-skilled" highly discretionary jobs will influence the critical psychological state of an employee promoting a sense of meaningfulness, responsibility and value. Once an employee begins to experience a more positive psychological relationship with their job, manager, employer and organization, it is expected that improved performance will follow and possibly hold on to their jobs for a much longer period than if the reverse was true.

It is therefore fairly clear from Herzbergs theory that the absence of "motivators" and "hygiene" factors will lead to employee dissatisfaction and as it were, to labour turnover. Nzuve(1999), argues that motivation, that is, the process that energizes, directs and sustains behaviour, is key to staff retention and significantly checks labour turnover. He identifies lack of recognition, staff training, career growth, challenging opportunities (variety & responsibility), money and tangible rewards as some of the factors that impact on staff morale and therefore lead to high rates of labour turnover. For him, labour turnover can be very high in organizations which do not consider or pay special attention to both "motivators" and "hygiene" factors. In order for organizations to effectively check

their rates of labour turnover, is it imperative for them therefore to harmonize candidly their organizational goals with their employee needs.

Therefore, Herzberg's two factor theory can be used sufficiently to hypothesize and explain the factors responsible for high rates of labour turnover among nightclub employees.

## 2.6.2: Maslow's Needs Theory

Abraham Maslow (1954), in his work <u>Motivation and Personality</u> developed a theory where he hypothesized an order in which human needs arrange themselves. He is known for establishing the theory of a hierarchy of needs, writing that human beings are motivated by unsatisfied needs, and that certain lower needs, need to be satisfied before higher needs can be satisfied.

Maslow's felt that people are basically trustworthy, self-protecting, and self-governing. Humans tend toward growth and love. Although there is a continuous cycle of social conflict, he believed that violence and other social evils occur when human needs are thwarted. In other words, people who are deprived of lower needs such as safety may defend themselves by violent means which may be portrayed through lateness, low productivity, absconding and hence increased labour turnover.

According to him, there are general types of needs (physiological, safety, love, and esteem) that must be satisfied before a person can act unselfishly. He called these needs "deficiency needs." As long as we are motivated to satisfy these cravings, we are moving towards growth, toward selfactualization. Satisfying needs is healthy; blocking gratification makes us sick or evil. In other words, we are all "needs junkies" with cravings that must be satisfied and should be satisfied. Else, we become sick, evil, violent or selfish. Thus, when organization thwarts employee efforts to advance and develop, the result is negative attitude to work either by being unproductive or leaving and seeking alternative jobs and hence impacting on labour turnover. This theory can be used therefore to explain why nightclub employees have the tendency of changing jobs from nightclub to another, hence the high rates of labour turnover within nightclubs in Nairobi.

Needs are compelling. A potent need is one that has the greatest influence over our actions. It is these needs that influence workers to stay on the job or leave employment in search for better jobs

and thus impact on organization's labour turnover. Everyone has a compelling need However, these potent needs vary among individuals, hence various reasons as to why nightclub workers frequently change their jobs. According to Maslow, when the deficiency needs are met:

At once other (and higher) needs emerge, and these, rather than physiological hungers, dominate the organism. And when these in turn are satisfied, again new (and still higher) needs emerge, and so on. As one desire is satisfied, another pops up to take its place.

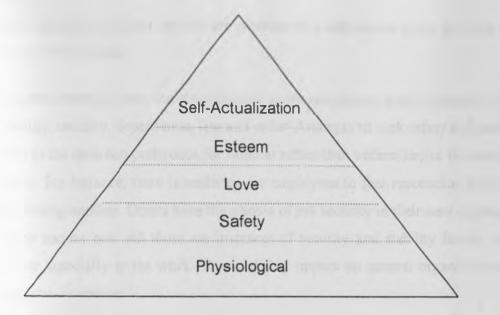
This hierarchy of importance is as shown in figure 2.1 below;

Figure 2.1: Maslow's hierarchy of needs

Physiological

Lower order

Self - Actualization Esteem (Recognition) Social (Affiliation) Safety (Security) Higher order



Physiological needs are the very basic needs such as air, water, food, sleep, sex, etc. These needs are the most potent of all needs. This means that in a human being who lacks everything in life in an extreme fashion, it is most likely that the major drive of his action or behaviour would be the physiological needs rather than any others. If all the needs are unsatisfied, the individual is usually dominated by the physiological needs. All the other needs may become simply non-existent or pushed into the background.

When these are not satisfied we may feel sickness, irritation, pain, discomfort, etc. These feelings motivate us to alleviate them as soon as possible to establish homeostasis. Within nightclubs this can be likened to a worker's feeling of dissatisfaction with working terms and conditions and hence the consideration to look for jobs that would sufficiently cater for his/her needs. According to Maslow therefore, labour turnover among nightclub employees is a form of reaction that can be associated to increased dissatisfaction of various workers needs such as better pay, health and safety needs, recognition, growth etc.

Safety needs have to do with establishing stability and consistency in a chaotic world. These needs are mostly psychological in nature. We need the security of a home and family. However, if a family is dysfunctional, i.e., an abusive husband, the wife cannot move to the next level because she is constantly concerned for her safety. Love and belongingness have to wait until she is no longer cringing in fear. Many in our society cry out for law and order because they do not feel safe enough to go for a walk in their neighborhood. In addition, safety needs sometimes motivate people to be

religious Religions comfort us with the promise of a safe secure place after we die and leave the insecurity of this world.

Safety needs emerges when the physiological needs are relatively well gratified. They are the needs for stability, security, dependence, law and order. Attempts to seek safety and stability in the world are seen in the common preference for familiar rather than unfamiliar, or the known rather than the unknown. For instance, there is tendency for employees to fear renouncing their unsatisfying jobs before finding another. Others have the phobia of job security in their new organization incase they quit their current one. All those are instances of security and stability factors that trigger human behaviour especially at the work place and thus impact on general organizational productivity as well as labour turnover.

Love and belongingness are next on the ladder. Humans have a desire to belong to groups: clubs, work groups, religious groups, family, gangs, etc. We need to feel loved (non-sexual) by others, to be accepted by others. Performers appreciate applause. We need to be needed. Beer commercials, also often show how beer makes for friendship and companionship. When was the last time you saw a beer commercial with someone drinking beer alone? Love or affiliation needs are the drives for companionship, acceptance, and affection. The individual will feel keenly as never before the absence of friends and family. At the workplace, these needs come out through the needs to belong to certain work-groups and interpersonal relationships. These relationships can be favourable or unfavourable and thus impact one's decision to change their work environment, hence influence labour turnover.

There are two types of esteem needs. First is self-esteem which results from competence or mastery of a task. Second, there's the attention and recognition that comes from others. This is similar to the belongingness. However, wanting admiration has to do with the need for power. People who have all of their lower needs satisfied, often drive very expensive cars because doing so raises their level of esteem. Satisfaction of self-esteem needs leads to feelings of self-confidence, worth, strength, capability & adequacy of being useful and necessary in the world. This can be likened to the possibility low rates of labour turnover among the management staff in the nightclubs. Recognition can come in many forms at the work place. This can be through pay increases, various rewards e.g. full paid vacations and other employee benefits and bonuses that accrue from good performance. The presence or absence of these forms of recognitions and opportunities to fulfill these needs in an

organization will thus influence workers decisions to leave or join organization and hence have an impact on labour turnover among nightclub workers

The need for self-actualization is "the desire to become more and more of what one is, to become everything that one is capable of becoming " People who have everything can maximize their potential. They can seek knowledge, peace, aesthetic experiences, self-fulfillment, oneness with God, etc. Self-actualization is the need for self-fulfillment, the need for recognizing one's own potentialities for continued self-improvement as well as the need for being creative in the broadest sense of the word (Abwao, 1981). When these opportunities are not forthcoming as is likely to be the case in nightclubs, then as Maslow argues, the nightclub workers will react by finding other jobs that they hope will provide them those opportunities hence, impact on labour turnover.

Nightclub employees would be motivated to stay on the job when given the opportunity to progressively work their way up the hierarchy, satisfying each level until they reach the final level of self-actualization. However, this is likely not the case within nightclubs in Nairobi and hence the high rates of labour turnover among the workers. Therefore, in order to increase employee interests in their jobs, increase their efficiency and thus ensure staff retention and minimal labour turnover, nightclubs must consider the higher level needs of employees in addition to other factors.

Barbara (1985) agrees with Maslow by arguing that a human being is a wanting animal, almost always desiring something. He further argues that human beings are interested in growing rather than simply restoring balance or avoiding frustration. Hence, as one desire is satisfied another arises to take its place. In a drive to self-actualize the individual moves forward toward growth, happiness and satisfaction. Nightclubs must therefore strive to create conducive environments within which their goals and objectives can be met. By so doing, they should also take to heart the individual needs of the workers because it is those needs that influence nightclub employees to change jobs, hence the high rates of labour turnover in the sector

Maslow's analysis of human behaviour however, represents the selfish individual motives that we can substantially argue triggers labour turnover among nightclub employees. Thus notwithstanding the institutional factors responsible for labour turnover, Maslow argues that the primary factors responsible for human behaviour in nightclubs and other organizations are motivated by individual needs. It is therefore important for nightclubs to attempt to match workers needs and their future aspirations to organizational objectives and policies at the time of recruitment so as to minimize

their labour turnover. His theory therefore, captures extensively the core factor (individual needs) that causes nightclub employees to change jobs hence, contributing to the high rates of labour turnover in the sector. This is essentially because of the need to earn a living, support a family, education, pay rent among others that nightclub workers seek for nightclub employment. If these needs are not met by their jobs, or are substantially met, higher needs are likely to emerge that requires to be fulfilled thus, the likelihood of the nightclub employee changing jobs because the current one may not be in a position to sufficiently satisfy their current needs.

In summary, Argyris and McGregor's theories portrays that nightclub and most organizational policy and procedures are formulated in such a manner that they are unfavourable to nightclub workers and therefore, more often than not, tend to trigger them in and out of the organization in the hope of getting better and favourable jobs. Thus, according to them, the negative attitude towards the nightclub employee has an impact on job design and satisfaction and thus plays a role on labour turnover. This situation can be exemplified by the lack of opportunities for employee advancement and development as described by Herzberg, unfulfilled employee needs according to Maslow, that may eventually increase job dissatisfaction and hence workers decision to leave nightclub employment and hence high rates of labour turnover in the sector.

Therefore, Maslow's Needs Theory brought out in the best way possible the basic motive (individual needs) that trigger nightclub employees in and out of organizations and thus contribute to high rates of labour turnover. Herzberg's two factor theory, depicts labour turnover among nightclub employees as determined by the prevailing general terms and conditions of service within an organization with pay, job itself, and matching people and jobs (education & skill) clearly emphasized (i.e. motivators and hygiene factors). To complement these two theories we will now examine briefly the social exchange theory and its centrality to social action and human behaviour especially how it can be used to explain the high rates of labour turnover among nightclub employees.

### 2.6.3: Social Exchange Theory

Sociologists and political scientists have tried to build theories around the idea that all action is fundamentally 'rational' in character and that people calculate the likely costs and benefits of any action before deciding what to do. This approach to theory is known as *rational choice theory*, and its application to social interaction takes the form of *exchange theory*.

The fact that people act rationally has, of course, been recognised by many sociologists (such as Max Weber (1920), Bronislaw Malinowski (1922), Marcel Mauss (1925) and Talcott Parsons (1937)), but they have seen rational actions alongside other forms of action, seeing human action as involving both rational and non-rational elements. A pioneering figure in establishing rational choice theory in sociology was George Homans (1961), who set out a basic framework of exchange theory, which he grounded in assumptions drawn from behaviourist psychology. Others include Blau (1964), Coleman (1973), and Cook (1977) who extended and enlarged his framework, and helped to develop more formal, mathematical models of rational action.

In rational choice theories, individuals are seen as motivated by the wants or goals that express their 'preferences'. They act within specific, given constraints and on the basis of the information that they have about the conditions under which they are acting. At its simplest, the relationship between preferences and constraints can be seen in the purely *technical* terms of the relationship of a means to an end. Thus, workers seek employment in organization to meet their particular needs. As argued above and in reference to this study, the nightclub becomes the means to achieving individual's goals.

Nightclub workers will therefore weigh the costs of attaining their objectives in one nightclub in relation to another and thus decide on whether to move or stay on employment thereby impacting on labour turnover. Individual needs always come first before organizational goals according to Maslow, and nightclub workers will rationally make decisions that are likely to enable them to take jobs in organizations that in exchange promote both motivators and hygiene factors according to Herzberg. Thus nightclub workers are likely to continuously change jobs from nightclub to

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nightclub, in search for that which provides better value in exchange for their labour input, hence influencing labour turnover in the sector.

Rational choice theories hold that individuals must an icipate the outcomes of alternative courses of action and calculate that which will be best for them. Rational individuals choose the alternative that is likely to give them the greatest satisfaction (Coleman 1973). It is this consideration therefore that prompts nightclub employees to frequently change jobs hence the high rates of labour turnover among them. For instance, when nightclub employees realize that their jobs are not likely to meet efficiently their future prospects, they may opt to resign and join other nightclubs or organizations that they hope will do so. Thus, as seen above, workers rationally and intentionally choose particular nightclubs as means for achieving their goals and by so doing influence the rates of labour turnover within nightclubs.

The idea of 'rational action' has generally been taken to imply a conscious social actor engaging in deliberate calculative strategies. Homans argued that human behaviour, like all animal behaviour, is not free but determined. It is shaped by the rewards and punishments that are encountered. People do those things that lead to rewards and they avoid whatever they are punished for. Workers serving under unfavourable working conditions are likely to weigh between resigning and joining the unemployed labour force, or hold on to their job a while longer till they find a better job. The decision to stay or leave nightclub employment is likely to be determined by the rewards or punishments calculated by the nightclub workers and will have an impact on the labour turnover of the concerned nightclubs.

According to social exchange theory therefore, nightclub workers will consider the pros and cons in terms of benefits and costs of leaving a job and taking another, and thus the value of the exchange involved. This exchange can be described in terms of Herzberg's motivators and hygiene factors whereby the nightclub employee is likely to consider issues such as pay, working conditions, recognition etc before changing jobs. In relation to Maslow's Needs Theory, the social exchange is likely to be exemplified in situations whereby the nightclub employee considers the possibility of hi/her needs being sufficiently met by the current job, or taking another one that is likely to suffice for them. Therefore, labour turnover among nightclub employees is likely to be determined by the value of social exchange between the nightclub and the services provided by the employee. Thus, we can arguably say that the high rates of labour turnover among nightclub employees is most

likely due to the poor benefits (pay, working conditions, approval/recognition, rewards, etc) offered by the nightclubs in exchange of their labour.

Both money and approval are general means of exchange in social interaction. Homans argued that no exchange continues unless both parties are making a profit' (Homans 1961: 61). Nightclub employees are therefore likely to be more willing to offer their services in a nightclub that recognizes individual efforts and has better remuneration perks than the alternatives in the market. Hence, staff recognition, approval and wages that a nightclub offers will have an impact on its labour turnover as seen above.

What this means is that unless each participant finds it profitable, the interaction will not continue. The person who experiences a 'loss' finds the interaction more costly than rewarding and so will have an incentive to withdraw. A sustained social relationship, therefore, rests upon a balance of mutual profitability. Participants in social interaction engage in a calculus of rewards and costs and the interaction will continue in a stable form only if all participants are making a profit. Trade Unions come into play to ensure that as the employer continues to be in business, the worker is assured of a fair return for his input in the business process. Thus as seen above if the trade union is not effective then fair exchange between the employer and nightclub employee cannot be assured and hence they have an impact on labour turnover. Those who experience a loss will withdraw and will seek out alternative interactions where they are more likely to earn a profit. When the nightclub employee perceives that his/her employer is not meeting his needs sufficiently, s/he may choose to look for an alternative job that best meets their needs Like-wise, when an employer perceives that he is not getting back the value of his labour capital, he may choose to hire labour force that he hopes will give him a good return for his investment. This will in effect affect the rate of labour turnover within an organization.

In short therefore, Social Exchange theorists assert that social action is an exchange of (tangible or intangible) activities and rewards/costs between individuals on the grounds and that people have always explained their conduct by means of its benefits and costs to them (Homans, 1961: 12-3). Thus nightclub workers weigh the benefits and costs of their jobs and react by changing or staying on the job and hence impact on labour turnover in nightclubs. Exchange represents the basis of human behavior and is pervasive throughout social life (Coleman, 1990: 37-39). Motivational theorists (e.g. Maslow) see this exchange as purposive and usually geared towards fulfilling certain individual needs.

All these views impress that (although not overtly), nightclub employees are resource contributors to the organization, and each engage in employment for personal economic and non-economic satisfaction. The satisfaction must be sufficient depending on one's level of education and skill or else they will be reluctant to accept responsibilities imposed upon them by nightclubs. This usually translates into the tendency of nightclub workers leaving employment in search of jobs elsewhere that will best satisfy their needs. Trade Union plays a key role in harmonizing the exchange process in employment. Their effectiveness determines the level of satisfaction of the nightclub workers and therefore their propensity to disregard the trade unions and the collective bargaining agreements thereof, in order to pursue what is more rewarding to them. These in most cases come in the form of resignations and change of jobs and hence have an impact on labour turnover.

Nightclubs on the other hand, seek to engage labour force that will give them the maximum return for their investment and will consequently not hesitate to replace the unproductive worker with a much more efficient and productive ones and thereby influence labour turnover. Therefore, according to Maslow, Herzberg and Horman (social exchange theorist), the nightclub worker and the organization both impact on labour turnover in one way or the other.

### 2.7: Conceptual Framework

The literature review carried out has led to the implications for the development of a conceptual framework in trying to explain the dependent variable of the study as caused by several identified independent variables. The scheme presented below serves as a basis for analyzing and designing the study. A combination of individual characteristics and macro-level variables are shown here as the contributing factors to frequent resignation and therefore to high labour turnover. Below is the relevant conceptual frame work:

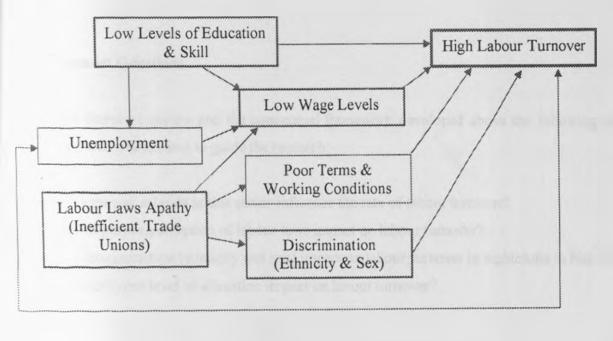


Figure 2.2: Conceptual Framework on the causes of Labour Turnover



A Causes B

As shown in figure 2.2 above, labour turnover is linked to unemployment, low levels of education and skills, and inefficient trade unions (i.e. poor in representation). High rates of unemployment means that while there is low demand for nightclub workers there is high supply of the same in the labour market an aspect that affects their price and hence levels of salaries and wages. Low wage levels as seen in the literature review leads to job dissatisfaction and hence increases the propensity for labour turnover. Due to high rates of unemployment compounded further by their low levels of education and skills, nightclub workers may not have a strong bargaining power. A Majority of them may not possess necessary skills that may warranty good pay.

Those that possess high levels of education and skills in the industry may command better pay and therefore are marketable in this sector. Levels of education therefore affect wage levels which in turn impact on the rates of labour turnover. Trade unions on the other hand, are meant to regulate and monitor the general terms and conditions of employment. Their inefficiency leads to abysmal terms and conditions of employment including wage levels and in turn high rates of labour turnover. The quality of trade union representation also determines the extent to which workers are discriminated against in the course of their duties and hence their decision to leave or join organizations as a result of prejudices alongside ethnicity and sex related aspects.

## 2.8: Research Questions

From the literature review and the conceptual framework developed above the following research questions were formulated to guide the research:

- 1 Do wages and salaries in this sector influence the rate of labour turnover?
- 2. Does employee perception of labour laws impact on labour turnover?
- 3 Does discrimination (ethnicity and sex) impact on labour turnover in nightclubs in Nairobi?
- 4 Does employee level of education impact on labour turnover?

## Chapter Three

#### Methodology

## **3.1: Introduction**

This was a predominantly exploratory study aimed at gaining insights and understanding factors responsible for labour turnover in nightclubs. This is because relatively little is known and documented about labour turnover in nightclubs owing to the uniqueness of their operations. As such, an exploratory survey was carried out in this study.

#### 3.2: Study Area

The study was carried out in Nairobi. This area was purposively selected due to its high concentration of nightclubs and its proximity to the researcher, which reduced the cost of the research. From the data obtained from the Liquor Licensing Board Nairobi Province, there were 69 licensed nightclubs within the city in the year 2005. This figure dropped from 69 to less than 20 after new legislations on nightclub operation and licensing were effected towards the end of December 2005. These nightclubs are distributed in Nairobi's seven (7) divisions namely, Kibera, Westlands, Pumwani, Dagoreti, Makadara, Embakasi, and Central. The distribution of the nightclubs is as follows; Kibera – 10, Westlands – 6, Pumwani – 9, Dagoreti – 9, Makadara – 5, Embakasi – 7, and Central – 23.

Although other cities such as Kisumu and Mombasa have nightclubs, we can arguably say that it is in Nairobi where the nightclub has a long history. This is because Nairobi is the capital city of Kenya and as a result it developed much earlier than the other cities in terms of business, infrastructure, population, government operations, as transit point among other factors.

#### 3.3: Study Design

Singleton et al (1988), defines a sampling design as that part of the research plan that indicates how cases are to be selected for observation. It details how the sample will be drawn from the population.

This was an exploratory study aimed at explaining the pattern of labour turnover in nightclubs in Nairobi. It aimed at illuminating and explaining the factors responsible for high labour turnover, their root causes, and why they possibly keep on recurring.

The study design was cross-sectional, in that data from a cross-section of respondents randomly chosen to represent the larger population was gathered at the shortest time possible. The main cause of variation in this study was location and as such all nightclubs within the city had an equal chance to be studied.

## 3.4: Sampling Procedure

This study combined probability and non-probability sampling. In selecting the nightclub as the study unit as opposed to other units (e.g. hotels) in the leisure sector, the researcher used purposive or judgmental sampling which is a non-probability sampling procedure. This procedure describes a situation where one selects a sample on the basis of one's knowledge of the population, its elements and the nature of research aims (Babbie, 1995:225). In this form of sampling, the investigator relies on his or her expert judgement to select units that are representative or typical of the population (Singleton et al, 1988). Therefore, the nightclub was chosen because of the researcher's familiarity with the organization, operation and its dynamics.

The city of Nairobi was chosen because of the number and distribution of nightclubs as well as its proximity to the reasearcher compared to other cities in the country. The researcher lives in Nairobi hence it was more accessible and transport costs among other research expenses were manageable as compared to moving to other cities such as Mombasa. The survey population in this study comprises nightclub workers in Nairobi. The researcher obtained a list of licensed nightclubs in Nairobi from the Liquor Licensing Board, office of the Provincial Commissioner, Nairobi Province. This formed the sampling frame for the study and from a target of 69 nightclubs a sample size of 32 nightclubs was randomly drawn.

The nightclubs were stratified into 7 categories representing the 7 divisions of Nairobi Province. In order to ensure that the sample was representative of the population, proportionate random sampling was employed. Therefore, in order to get the required 32 nightclubs, the total number from each division was divided by the grand total (69) then multiplied by 32, and the result rounded off to the nearest whole number. Thus, the number chosen from each division is as follows; Kibera – 5, Westlands – 3, Pumwani – 4, Dagoreti – 4, Makadara – 2, Embakasi – 3, and Central – 11.

To select specific nightclubs, the researcher wrote down the names of the establishments from each division on small pieces of paper and then randomly picked the required number.

From each nightclub a list of employees was obtained, which formed the study population, whereby proportionate random sampling was used to draw a sample size of 27%. Therefore, from a population of 345 nightclub workers, 96 of them were randomly and proportionately selected to form the sample size. This constituted about 27.6 per cent of the target population.

36 Key informants were selected on the basis of their position in the nightclub (above supervisor level), experience and knowledge of the industry. Their distribution was guided and based on the selected nightclubs.

The following is a summary of the sampling procedure. The shaded rows represent the selected nightclubs.

# PROJECT SAMPLE - (LIST OF BARS WITH PROPRIETORY LICENCES)

DIVISION	NIGHTCLUB	LOCATION/STREET	REQUIR ED	NO. OF STAFF	Seleceted Employee s
KIBERA					
	1 The Cockpit	Langata Shopping Centre		8	2
	2 The Carnivore	Langata Road			
	3 Psys	Langata Shopping Centre		6	2
	4 Beehive Bar	Mbagathi/Bagamoyo		9	3
	5 Jeans Bar	Acacia Avenue			
	6 Dumbusters	Lenana Rd			
	7 Gazebo	Sarit Centre		9	3
	8 Kengeles	Langata Road			
	9 She Night Club	Gadhi Av, Nairobi West	· · · · · · · · · · · · · · · · · · ·	6	2
	10 Pub Vigilante	Mbagathi Rd/Soweto Kibera	5		
WESTLANDS					
	1 K1 - Klub House	Ojijo Rd		32	9
	2 Anahem Enterprises	Next to Dobe Museum Parklands Rd			
	3 Moon Bar & Rest	Buchi Hse, Woodvale Grove Westlands			
	4 Kinyua Club	Waiyaki Way			
	5 Checkers Inn	Blamond Riaze, Highdage		12	3
	6 Three Witness	Westlands Shopping Centre	3	14	4
PUMWANI					
	1 F2 - Florida Night Club	Nai Ava. Town		22	6
	2 Modern Githunu Club	Enstleigh Sec III		7	2
	3 Club Changes New Ngara Day & Night	Ngara Road			
	4 Club	Desai Rd			
	5 Wangera Restaurant	Enstleigti 2nd Steed		4	1
	6 Buffalo Inn	Pumwani Rd			

	Steve Lecey & Brownwen	Fark Road			
	7 Club	Eastleigh 7th Street			
	8 Disney Club Tacos - Peter Kimani	Eastieigh An Street			_
	9 Githogo	Kimatiii Street	4	17	5
DAGORETI					
DAGOULE	1 Sawa Sawa Night Club	Ngando Rd			
	2 Caffe Cream	Yaya Centre - Argwing Kodhek Rd			
	3 M - Club	Dagoreti/Kangemi Shopping centre			
	Gachungwa Day & Night				
	4 Club	Kangemi		8	2
	5 Mukaro Garden Club	Dagoreti/Riruta - Naivasha Rd	1		
	6 New Generations Club	Kangemi - Hinga Rd		6	2
	7 Mary Sam Club	Kwangware - Naivasha Rd			
	8 Gitoka Bar	Kangemi - Waiyaki Way		8	2
	9 Pavement Ltd	WestView Centre, Ring Rd, Westlands	4	15	4
MAKADARA					
	1 K2 - Klub House	Baricho Rd, Industrial Area	Sec. 37	22	6
	2 Enzogu Hotels	Mombasa Rd		8	2
	3 Elbow Enterprises	Hamza Rd, Makadara		1	
	4 Club Sundowner	Enterprice Rd, Commercial St, Mweru Complex			
	5 Mwakangu Club	Outering Rd	2		
EMBAKASI					
	1 Shelter Villa	Ruai, Kangundo Rd.			
	2 Nyama Villa	Koma Rock, Near Kanu Office	1	7	2
	3 Las Vegas Club	Kangundo Ra		10	3
	4 National Bar & Restaurant	Outering Rd, Embakasi			-
	5 Club East City	Kayole		4	1
	6 High Rider	Kware, Embakasi, Outering Rd			
	7 The Pines Club	Tasia, Outering Rd	3		

OTALS	69			32	345	96
-	23	Soi Night Club	Sheikh Karume Rd	11		
	22	Sparks Grill & Restaurant	Mfangano Str.			
	21	Pipes Bar & Rest	Tom Mboya Str.		11	3
	20	Athusi D&N Club	Ukwala Rd.			
	19	Jazz Pub	Moi Ave.		8	2
	18	Polo Pub & Rest	Tem Mboya Str.	1	12	3
	17	Apples Bees Pub & Rest.	Gaberone Lane, Off Luthuli Ave.		10	3
	16	Ngatho D&N Club	Race Cource Rd.			
	15	Kat-Rina	Juja Rd			
	14	Savoy Casino	Ronald Ngala St.		10	3
	13	Dolce Club	Koinage Street			
	12	Kakamega D&N Club	Sheikh Karume Rd			
	11	Wilton Gateway Club	Dubois Rd			
	10	Roast House	Keekorok Rd		16	
	9	Nyanza Hse D&N Club	Jivanjee St.		5	1
	8	Disney Club	Juja Rd			
	6	AGRIEVEIS DAE & RESI. Kafico	Nduruma Rd.			
	2	Sabina Joy D&N Club Achievers Bar & Rest.	Agera Rd		12	3
	4	Hillock Inn 2000 Club	H. Sellasie Ave.	and the second second	6	2
	3	Silvermine Café	Alliance Bldng			
	2	Modern Green D & N Club	Latema Rd		v	
	1	Abbey Hotel & Rest	Gabrone Rd, Off Luthuli Ave.		13 8	

#### 3.5: Unit of Analysis

Singleton et al (1988), defines the unit of analysis as "what or who is to be analyzed". According to Baker (1994:13) the unit of analysis is the social entity whose social characteristics are the focus of the study. In this study therefore, the unit of analysis was nightclubs and the nightclub employee was the unit of observation. Nightclub employee as cited elsewhere includes but is not limited to waiters and waitresses.

#### 3.6: Sources of Data, Data Collection Tools and Techniques.

The researcher relied both on primary and secondary data. Primary data were obtained using structured interview schedules for the key informants and questionnaires for the primary respondents. The primary data collected therefore include such information as employee background information such sex, education, marital status, among others. Both open-ended and closed-ended questions were employed so as to create room for the respondents to express themselves freely. A review of secondary data was done so as to supplement primary data. Published and unpublished reports from the human resources departments of the nightclubs, central bureau of statistics and other sources were reviewed. Such information included labour turnover trends among employees in the leisure industry, theories and reasons behind labour turnover

## 3.7: Experiences and Problems Encountered in the Field

The researcher was in the field between December 2005 and April 2006. There were various challenges in the field. Right from the start the researcher encountered hostile reception from some of the sampled establishments. The management as well as some of the nightclub workers, were not comfortable with the researchers' presence arguing that he presented a recipe for myriad of problems to them, such as a possibility of him being a representative of the Kenya Revenue Authority oran undercover officer from the Ministry of Labour.

The management particularly alleged that the topic of the research was a bit sensitive and the information required was confidential. They feared that the information provided could be used against the establishment either by the government or competitors for that matter. The nightclub workers were afraid that it found to have divulged confidential information to outsiders they could be victimized or even sacked. The researcher therefore had to re-strategize on the effective ways and methods of collecting data with minimum suspicion (e.g. using some form of intercept survey methods).

Another challenge was postponement of appointments. Since the researcher was using semi-structured interview questionnaires appointments were to be booked in good time. Although some interview dates and time could be set and agreed upon, eleventh hour cancellations were common and had to be rescheduled over and over again. This is due to the nature of the business which predominantly operates at night. These notwithstanding most of the respondents were very cooperative.

Financial limitation was another challenge. The study needed a lot of money (e.g. for transport and production of questionnaires) in order to facilitate the data collection. Since the study involved interviews during working hours, and this sector being an entertainment venue, the researcher had to buy some refreshments once or twice during the study. Other costs included photocopying and typing costs, traveling costs, writing materials, etc.

In spite of the majority of the respondents being educated up to college level, many had problems understanding some questions. Therefore the researcher had to rephrase some questions in simple language they could understand better.

#### **Chapter Four**

#### **Data Presentation and Analysis**

#### 4.1: Introduction

Data analysis is an exercise where an investigator searches and identifies meaningful patterns of data. The focus of the study was to examine factors responsible for the high labour turnover within nightclubs in Nairobi. The process of data collection has been described and explained in chapter three above.

In this section, the data collected from the field is presented and analyzed through various statistical techniques. The purpose of this section therefore, is to present the results of the data analysis in a systematic way. Since descriptive statistics highlight features of a set of observation and do not support or falsify a relationship between two variables, it is used in this chapter to help the researcher understand the data collected from the field in order to interpret it using percentages, frequency distribution, tables and charts.

#### 4.2: Basic Information of the Respondents

Table 4.1 below shows the distribution of the respondents in terms of their sex.

Sex	Frequency	Percentage
Male	63	65.6
Female	33	34.4
Total	96	100.0

Table 4.1: Di	istribution of r	respondents l	by sex
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Source: Field data

Of the 96 respondents 63 (65.6%) were male while 33 (34.4%) were female. This shows that a majority of the respondents were men. Almost half of the women interviewed were in management or senior management positions while the majority of the males interviewed were in non-management positions. This indicates some sense of gender sensitivity in terms of job distribution between the male and female employees. It can also indicate some form of discrimination whereby

men are discriminated against when it comes to employee growth and access to resources and opportunities among nightclub employees.

Table 4.2 below shows the distribution of the respondents in terms of their marital status. It indicates that 48 (50%) of the respondents were single, 6 (6.3%) were cohabiting (i.e. man and woman having a joint household), while 42 (43.7%) were married.

Marital Status	Frequency	Percentage	Cumulative Percent
Single	48	50.0	50.0
Cohabiting	6	6.3	56.3
Married	42	43.7	100.0
Total	96	100.0	

## Table 4.2: Marital Status

Source: Field data

Table 4.2 above shows that majority of nightclub workers are not married (i.e. single or cohabiting). This can be attributed to the nature of the job whereby being entertainment venues and the presence of all manner of leisure activities (e.g. disco, alcohol, drugs, and prostitution), some may find it hard to trust their partners, while others may be carried away by the leisure mood among other factors.

Table 4.3: Level of Education

Education	Frequency	Percentage	Cumulative Percentage
Primary	3	3.1	3.1
Secondary	33	34.4	37.5
College	60	62.5	100.0
University	0	0	100.0
Total	96	100.0	

Source: Field data

The findings on table 4.3 above show that all the respondents are literate. Out of the 96 respondents interviewed 3(3.1%) had primary level of education, 33(34.4%) had secondary level of education while the remaining 60(62.5%) had attained college education (diploma level). A majority of the respondents i.e. 62.5% had attained college education and surprisingly not even a single respondent had attained university education. Thus, we can arguably say that the nightclubs shy away from university educated workforce presumably because of poor remuneration, and working conditions among other reasons that would repel a university graduate from seeking employment from the sector.

Age	Frequency	Percentage	Cumulative
			Percentage
20 - 29yrs	45	46.8	46.8
30 - 39yrs	45	46.8	93.6
40 - 49yrs	6	6.4	100
Total	96	100	

## Table 4.4: Age Profile

### Source: Field Data

The findings on table 4.4 above show an almost balanced age distribution of workers. Out of the 96 respondents 45(46.8%) were between 20 – 29 years while the majority 51(53.2%) were above the age of 29 years. Only 6(6.4%) out of the 96 were above the age of 39 years. Thus, we can arguably say that the nightclubs mainly attract youthful workers (less than 40 years of age) workforce presumably due to the nature of the industry (entertainment, and its operating hours among others). The absence of a middle aged workforce can also be attributed to the nature of human resource management structures which may be weak or in most cases non-existent and therefore devoid of formalized personnel and industrial relations policies. It can also be attributed to lack of what Herzberg's called motivator or intrinsic factors, such as achievement and recognition that produce job satisfaction, as well as hygiene or extrinsic factors, such as pay and job security that produce job dissatisfaction among others.

## 4.3: The trend of labour turnover

In this section an effort is made to measure whether there is actually high labour turnover within nightclubs in Nairobi. Variables such as previous sector of employment, previous number of

nightclubs employed in, and duration of employment in previous as well as current employment among others, were investigated.

The researcher found out that all respondents interviewed had changed jobs at least once or twice over the last 4 years before joining the current nightclub. The study established that 78% of the respondents were past employees of different nightclubs within the city. The rate of labour turnover based on the number of separation during the year expressed as a percentage of the average number of employees in the same period was estimated as ranging from 15.6% to 37.5% within the nightclubs in Nairobi.

Industry		panies work e joining the			Total
	One	Two	Three	More than three	
Nightclub	3	33	15	24	75
Others	15	3		3	21
Total	18	36	15	27	96

Source: Field Data

Table 4.5 above indicates that only 18(18.8%) respondents had worked in 1 nightclub before their current one, 36(37.5%) had worked in 2 nightclubs, 15(15.6%) had worked in 3 nightclubs, and 27(28.1%) had worked in more than 3 nightclubs. This shows that majority of the nightclub workers had worked for more than 2 nightclubs previously and therefore had a tendency of changing jobs predominantly within nightclubs. This tendency can be explained by the exposure and experience that they had so far gained in the sector. Borrowing from Maslow's Needs Theory, one can arguably say that this frequency is caused by the failure of the nightclubs management to sufficiently meet the needs of the workers as well as the possibility of emergence of higher needs. According to majority of the workers (53%), they were driven to change jobs mainly by low pay.

Again, out of the 96 respondents interviewed 75(78 1%) of them were previously working in a nightclub before their current employment. Only 21(21.9%) of the total respondents were previously working in other sectors such as manufacturing sector. Those joining from other sectors were attracted by better motivators and hygiene factors (e.g. growth and pay respectively) according

to Herzberg's two factor theory. They argued that nightclubs provide avenues and opportunities (e.g. tips, and bonuses) not previously available in their former employment.

Table 4.6 shows the period of employment in their previous nightclubs.

Duration of Employment	Frequency	Percentage	Cumulative Percentage
Below 1yr	30	31.3	31.3
1 - 1.5yr	33	34.4	65.7
1.5 - 2yrs	12	12.5	78.2
2-2.5yrs	15	15.6	93.8
Above 2.5yrs	6	6.2	100.0
Total	96	100.0	

Table 4.6: Previous Duration of Employment

Source: Field Data

Tables 4.6 above show the period of employment of the respondents in their previous nightclubs. 63(65.7%) of the respondents served for less than one and a half years in their previous employment, with 30(47%) of the 63 respondents working for less than one year. Thus, the brief duration of employment by majority of the respondents, is a reflection of high labour turnover among nightclub employees in this sector.

Table 4.7: Current Duration of Employment

Duration of Employment	Frequency	Percentage	Cumulative Percentage
Below 1yr	30	31.3	31.3
1 - 1.5yr	36	37.5	68.8
1.5 - 2yrs	21	21.9	90.7
2 - 2.5yrs	6	6.2	96.9
Above 2.5yrs	3	3.1	100.0
Total	96	100.0	

Source: Field Data

Tables 4.7 above shows the current duration of employment of the respondents. There is a small shift from the observed trend in table 6 above, in that there was only 66(68.8%) of the total respondents who had served for less than one and a half years. Out of those 66, 30(45%) of them had served for less than one year, an indication of relatively high labour turnover within nightclubs in Nairobi.

The data presented in table 4.6 and 4.7 above shows that there is indeed frequent change of jobs (averaging around 31% per year) among the nightclub employees. This was as a result of various factors such as unfulfilled needs, perceived unequal exchange between the nightclub worker and the employer, new and higher emerging needs, opportunities (e.g. better pay), as well as general economic growth and costs of living that presented financial challenges to the worker in this sector, as is discussed further in this chapter.

#### 4.4: Factors responsible for labour turnover

The purpose of this study was to investigate factors responsible for labour turnover within nightclubs in Nairobi. In the field, various variables were measured and in this section the findings will be analyzed and presented in frequencies, percentages, and cross-tabulation tables.

The study sought find out whether wages and salaries in this sector had an impact on the rate of labour turnover. When asked to gauge their salary in relation to their colleagues in other nightclubs, 54% of the respondents observed that it was low, 34% said it was at the same level, while 12% said it was slightly above the rest. Thus, majority had the general perception that their wages were lower than their colleagues in the sector.

Table 4.8 below is a cross-tabulation of previous and current gross salary.

CURRENT		PREVIOUS	S SALARY		Total
SALARY	Below 5,000/=	5,000 - 10,000/=	11,000 - 15,000/=	Above 15,000/=	
Below 5,000/=	18	3			21
5,000 - 10,000/=	21	24	3	3	51
11,000 - 15,000/=		3	6	3	12
Above 15,000/=		3	3	6	12
TOTAL	39	33	12	12	96

Table 4.8: Previous Salary by Current Salary Levels

Source: Field Data

Table 4.8 shows that of the 96 respondents 39(40.6%) earned less than Kshs. 5,000/= per month from their previous employers. 33(34.4%) of the respondents earned between Kshs. 5,000/= and 10,000/=, 12(12.5%) of them earned between Kshs. 11,000/= and 15,000/= and 12(12.5%) earned above Kshs. 15,000/=.

In the current employment, those who were previously earning below Kshs. 5,000/= reduced from 39(40.6%) to 21(21.9%), those previously earning between Kshs. 5,000/= to 10,000/= increased from 33(34.4%) to 51(53.1%). There was no change in percentage for those earning between Kshs. 11,000/= and 15,000/= as well as those earning above 15,000/=.

The data shows a movement of nightclub workers previously earning less to other nightclubs where the wage levels are relatively higher. From the data therefore, it can be argued that wage levels are key determinants of labour turnover in nightclubs. This is an indication that there is a relationship between salary levels and the decision to change jobs among nightclub workers. This is in line with Freund (1988), who argued that salaries and wages are central to any employment relationship and therefore can influence the rates of labour turnover. We can therefore argue that wage levels are major push and pull factors in the labour market and therefore a great influence to rates of labour turnover among nightclub employees. Thus, the lower the wages the higher the likelihood of high rates of labour turnover and vice versa.

This finding also alludes to the argument by Vogel (1968), who established that as wages increase so does labour stability. He also found out that the higher wage earning groups had a lower labour turnover than that of the lowest wage-earning groups. This is in line with the findings as there was no change in percentage for those earning between Kshs. 11,000/= and 15,000/= as well as those earning above 15,000/= an indication that those earning high salaries did not have the tendency of frequently changing jobs.

Therefore, we can arguably say that the key motivator of human behaviour is his potent needs. Remunerations is among the key factors that enable or impede individual efforts to satisfy these needs, factors that make him choose to stay or leave employment in search for better jobs thereby impacting on labour turnover. The employer or the organization plays a role in this through its policies and attitude towards its employee as seen in the theories of McGregor (1957), Argyris (1957) and Herzberg(1966). Thus employees will be persuaded to continually search for jobs that pays much better in order to meet their needs and therefore impact on labour turnover.

The employee is a key stake holder in labour turnover phenomenon. His potent needs at any given time are greatly influenced by his capabilities to satisfy them in terms of his position in the organization plus his level of education and skill, and therefore his marketability. Thus, one's level of education and expertise determines his position within the organization and also his competitiveness within the labour market. In this regard, the employee's level of education and skill was examined in relation to its impact on labour turnover.

From the 51 respondents of those earning between Kshs 5,000/= and 10,000/=, 39 (76%) of them were college graduates. In addition, out of the 12 respondents earning above Kshs. 15,000/= 9(75%) were also college graduates. This is an indication that those with higher education earn relatively better salaries than their colleagues

Education	No. of Comp	Total			
	One	Two	Three	More than three	
Primary	3(3.1%)				3(3.1%)
Secondary		15(15.6%)	6(6.2%)	12(12.5%)	33(34.3%)
College	15(15.6%)	21(22%)	9(9.4%)	15(15.6%)	60(62.6%)
Total	18(18.7%)	<b>36</b> (37.6%)	15(15.6%)	27(28.1%)	<b>96</b> (100%)

Table 4.9: Education by migration status cross-tabulation

Source : Field Data

Table 4.9 above show that a majority of those who changed jobs more than thrice in a period of 4 years, were those with college education (i.e. 15 or 56% of 27 respondents) This is also evident in the other migration status categories.

In table 4.10 below, a notable shift is evident from previous nightclubs especially among those who had attained secondary education, in that 6 out of 18 that were initially earning below Kshs. 5,000/= moved to the category of those earning between Kshs. 5,000/= - Kshs. 10,000/=, while 12(67%) out of 18 of those who had attained college education moved to the same category. There was no change for respondent who had primary education, an indication that a relationship exists between employee levels of education and labour turnover.

Level of		Total			
Education					
	Below	5,000 -	11,000 -	Above	
	5,000/=	10,000/=	15,000/=	15,000/=	
Primary	3(3.1%)				3(3.1%)
Secondary	18(18.8%)	6(6.2%)	6(6.2%)	3(3.1%)	33(34.3%)
College	18(18.8%)	27(28.2%)	6(6.2%)	9(9.4%)	60(62.6%)
Total	39(40.7%)	33(34.4%)	12(12.4%)	12(12.5%)	96(100)

Table 4.10: Previous Salary by Level of Education Cross-tabulation

Source: Field Data

From the above findings, education level, appear to determine the salary scale to some extent as well as a contributing factor to labour turnover within nightclubs in Nairobi. This alludes to the argument by Mark (1974) that better and highly educated workers will always have a better remuneration than their lower educated counterparts because they have a better bargaining power in the labour market. The economic explanation is that better educated workers earn more because they are more resourceful and productive due to their knowledge and skill. Employers will therefore tend to hire better educated workers for higher wages in relation to the less educated employees. Employers will also easily hire them for complex jobs that involve initiative and drive and the less educated workers for all other jobs. Thus, this frequent change of jobs and hence cause of high labour turnover in nightclubs, can be explained by the competitive advantage in terms of education, that some nightclub employees have over others. Notably also was the absence of university graduates among the nightclub employees due to their tendency to pay lower wages which graduates may not be willing to take.

Therefore, just like Vogel (1968) pointed out, there is a tendency for those with relatively high levels of education and training to have higher rates of labour turnover than their less educated counterparts. This is because 12 (66%) out of the 18 respondents with college education and previously earning below Kshs. 5,000/= changed jcbs, to nightclubs where they are currently earning between Kshs. 5,000/= to 10,000/=. This is in comparison to respondents with secondary level education in the same categories, whereby only 6(33%) out of 18 changed jobs.

Another important aspect that came out from the study is the age factor of the employees in relation to the rate of labour turnover. Table 4.11 below shows a cross-tabulation between age and period of employment.

Age	Previous duration of employment					Total
	Below 1yr	1 – 1.5yr	1.5 <b>– 2yrs</b>	2 – 2.5 <b>yrs</b>	Above 2.5yrs	
20 - 29yrs	27(28.2%)	6(6.2%)		3(3.1%)	9(9.5%)	45(47%)
30 - 39yrs	3(3.1%)	6(6.2%)	6(6.2%)	12(12.4%)	18(18.9%)	45(46.8%)
40 - 49yrs					6(6.2%)	6(6.2%)
Total	<b>30</b> (31.3%)	12(12.4%)	6(6.2%)	15(15.5%)	33(34.6%)	96(100%)

Table 4.11: Age by Previous Duration of Employment

Source: Field Data

Table 4.11 above shows that an employee's stage in life can also affect one's stability in a job. According to Nzuve(1997), older and married employees who have been with an organization for a long time can be more stable because of their family responsibilities while the young and unmarried can be very mobile. Table 12 above depicts this whereby those aged between 20-29 years, are the majority among the employees who had served for less than one and a half years in their previous nightclubs. The data also shows that those aged above 29 years had stayed for longer periods in their employments. For instance, 30(66%) out of 45 among those aged between 30 and 39 years had stayed in both their previous employment for a period of more than 2 years. Specifically, those aged between 40 and 49 years had stayed in their previous nightclub employment for periods of over two and a half years.

Age	No. of Companies Worked in last 4 years before the current nightclub.					
	One	Two	Three	More than three		
20 - 29yrs	6(6.2%)	18(18.8%)	9(9.4%)	12(12.5%)	45(46.9%)	
30 - 39yrs	12(12.5%)	18(18.8%)	6(6.2%)	9(9.4%)	45(46.9%)	
40 - 49yrs			6(6.2%)		6(6.2%)	
Total	18(18.7%)	36(37.6%)	21(21.8%)	21(21.9%)	<b>96</b> (100%)	

Table 4.12: Age by Migration status

Source: Field Data

Table 4.12 above shows that 12 (57%) out of the 21 respondents who changed jobs for more than three times in a period of 4 years before their current nightclub were aged between 20 and 29 years. This is in comparison with others in different age brackets. Overall, 78(81.3%) of the respondents changed jobs at least twice in period of 4 years, prior to their current nightclub hence recording an average of 2 years in one nightclub.

The findings seem indicate a relationship between age and labour turnover. The essence is to establish possible causes of high labour turnover within nightclubs in Nairobi, and while the younger nightclub workers tend to change jobs more frequently the older nightclub worker is more complacent and hence less mobile. Age therefore seems to determine the duration one stays in nightclub employment, and consequently the frequency of changing jobs among the respondents. This can be attributed to various factors such as maturity and other social responsibilities that both the younger the nightclub worker the less inexperienced in the market and the higher the temptation to explore what other nightclubs have to offer. As a result this is likely to lead to high rates of labour turnover among this category of nightclub employees.

Again this can be also explained by the dynamic nature of the industry and as such the increasing demand for new skills, innovativeness and adaptability to changing customer demands which the older nightclub worker may be a bit slow to respond to. As a result, the older nightclub worker is likely to be hesitant in changing jobs unless it is extremely important for them to do so. This may not be the case for the younger and more energetic nightclub employee.

The study sought to examine how various forms of discrimination at the work place impact on labour turnover. The focus was mainly on whether nightclub employees considered ethnicity and sexual biases as key determinant in their decision to change jobs. In spite of the rich ethnic mix within the city, majority of respondents (78%) observed that discrimination along sex and ethnic lines was not as serious as to warrant one to change jobs. A cross tabulation of sex and duration of employment was carried out to establish whether there was a relationship between sex and labour turnover.

The following tables (4.13 and 4.14) show a cross-tabulation of sex and duration of employment of the respondents in both previous and current nightclub.

Sex	Previous Duration of Employment					Total
	Below 1yr	1 – 1.5yr	1.5 - 2yrs	2 - 2.5yrs	Above 2.5yrs	
Male	21(21.9%)	9(9.4%)	3(3.1%)	12(12.5%)	18(18.8%)	63(65.7%)
Female	9(9.3%)	3(3.1%)	3(3.1%)	3(3.1%)	15(15.7%)	33(34.3%)
Total	30(31.2%)	12(12.5%)	6(6.2%)	15(15.6%)	33(34.5%)	96(100)

Table 4.13: Sex by Previous Duration of Employment

Source: Field Data

The data in table 4.13 above indicate that out of the 63 male respondents interviewed 33(52.4%) of them had served in their previous employment for a period of 2 years or less. The remaining 30(47.6%) had served for a period of more than two years. The results show a slightly different trend for the female, whereby 15(45.5%) out of 33 served in their previous nightclubs for a period of two years or less. The remaining 18(55.5%) served their previous nightclubs for a period of two years and above. Thus the rate of labour turnover among the female employees seems to be lower in comparison to their male counterparts.

Sex		Current Duration of Employment				
	Below 1yr	1 - 1.5yr	1.5 - 2yrs	2 - 2.5yrs	Above 2.5yrs	
Male	18(18.8%)	3(3.1%)	15(15.7%)	3(3.1%)	24(25%)	63(65.7%)
Female	12(12.5%)		6(6.2%)	3(3.1%)	12(12.5%)	33(34.3%)
Total	30(31.3%)	3(3.1%)	21(21.9%)	6(6.2%)	36(37.5%)	96(100%)

Table 4.14: Sex by Current Duration of Employment

Source: Field Data

In their current nightclubs however, there is a slight shift whereby 36(57.1%) out of the 63 male respondents had served for a period of 2 years and below, while the remaining 27(42.9%) having served for a period of more than two years. Similarly, there was small drift on the female respondents in their current nightclubs as shown in table 4.14. Out of the 33 female respondents, 18(55.5%) had served their current nightclubs for a period of two years and below, while 15(45.5%) of them had served for a period of two years and above.

This shows an almost a balanced trend for the male respondents in terms of period of service in one station. The trend for the female respondents changed showing a tendency to serve for lesser periods just like their male counterparts.

However, when asked the question 'Between men and women, who have left employment in large numbers?', 50% said 'Women', 15% said 'Men', 25% said 'Balanced' while 10% were undecided. Therefore, the majority felt that female employees left employment in large numbers than men. Some of the reasons given were issues related to family (child bearing), and marriage among others.

The study attempted to measure discrimination as perceived by the respondents in terms of sex and ethnicity. Among the questioned asked was whether access to benefits and growth opportunities in the nightclub were determined by ethnicity and/or sex. The following Frequency table shows the answers as provided by the respondents.

Table 4.15: Respondents perception of discrimination (ethnicity) as a cause for labour turnover

Is access to opportunities determined by one's tribe (ethnicity)?	Frequency	Percentage	Cumulative Percentage
Yes	18	18.8	18.8
No	75	78.1	96.9
Others	3	3.1	100.0
Total	96	100.0	

Source: Field Data

Table 4 15 shows that only 18(18.8%) out of 96 respondents felt that there was some discrimination in terms of ethnicity. On the other hand 75(78.1%) of the respondents felt that there was no inequalities along ethnic lines, that could necessitate change of jobs among nightclub employees.

Do you think both men and women arc equally treated?	Frequency	Percent	Cumulative Percent
Yes	63	65.6	65.6
No	24	25.0	90.6
Others	9	9.4	100.0
Total	96	100.0	

Table 4.16: Respondents perception of discrimination (sex) as a cause for labour turnover

Source: Field Data

Table 4.16 shows that 24(25%) out of 96 respondents felt that there was some form of discrimination in that both men and women were not treated equally. However, 63(65.6%) of the respondents felt that both men and women are treated equally in all respects. Therefore, discrimination on sexual basis was not a key factor that could necessitate change of jobs among nightclub employees.

Only a small number of the respondents (less than 9%) remained noncommittal on the issue. Therefore, the results indicated a weak relationship between labour turnover and discrimination along sex and ethnic lines within the nightclubs in Nairobi.

The above findings negate results of The Commission for Racial Equality (1991) carried out in UK, which reported that, equal opportunity policies are rare and the better paid, higher status and more skilled jobs within the hotel sector continue to be held largely by men. It further suggested that there were major, structural shortcomings in recruitment practices and that racial discrimination was a significant problem. The report further offers evidence of lower salaries for female graduate workers in the leisure industry (HTF, 1998). The findings in table 16, however shows that the case of discrimination along ethnicity and sex in allocation and access to opportunities within nightclubs in Nairobi, is not perceived to be prevalent and therefore may not be a strong determinant of labour turnover among nightclub employees.

In terms of issues related to faith and religion, the following frequency table (table 4.17) shows the responses of the respondents.

How likely can faith and	Frequency	Percentage	Cumulative
religion make one			Percentage
change jobs?			
Very likely	9	9.4	9.4
Likely	9	9.4	18.8
Not Likely	45	46.9	65.6
Not very likely	33	34.4	100.0
Total	96	100.0	

Table 4.17: Religious affiliation and labour turnover

Source: Field Data

Table 4.17 indicates that only 18.8% of the respondents felt that issues of faith and religion can have an impact on high labour turnover among nightclub employees. Almost half 46.9% of the respondents felt that issues of faith and religion are not likely to have an impact on labour turnover, while 34.4%(33 respondents) felt very strongly that those issues are not likely to have an impact at all This was explained in terms of the high unemployment rates and the fact that when one is looking for a job in nightclubs, issues of faith and religion usually do not count, since the job seeker already has an idea of how the work environment could be. Thus, faith and religion are not strong determinants of labour turnover among nightclub employees in Nairobi.

Labour laws essentially describe the rights and obligations of the parties involved in an employment relationship. For instance, the implied duties of the employer include mutual respect, duty to provide work, remuneration when there is no work, to indemnify the worker etc. The implied obligations of the employee include loyalty to employer, obedience, good behaviour, confidence, etc. During the study, there was an attempt to measure employee's perception of labour laws and understanding of their rights and obligations in order to establish whether it had an impact on labour turnover within nightclubs in Nairobi. When asked to name some of the labour laws, Table 18 below shows the data obtained from the respondents.

ame some of the Labour	Frequency	Percentage	Cumulative
Laws that you know			Percentage
Some	3	3.1	3.1
None	93	96.9	100.0
Total	96	100.0	

Table 4.18: Employee Knowledge of Labour Laws

Source: Field Data

Table 4.18 shows that 3.1%(3) of the respondents interviewed reported that they know some labour laws, while 96.9%(93) did not know any labour laws. However, the study found out that the respondents knew some of their rights and obligations as employees as indicated by table 19 below.

Table 4.19: Employee knowledge of their Labour rights

Do you know some of your rights as an employee?	Frequency	Percent	Cumulative Percent
Yes	63	65.6	65.6
No	33	34.4	100.0
Total	96	100.0	

Source: Field Data

Table 4.19 shows that 63(65.6%) of the respondents knew their rights (e.g. right to rest days, leave, salary etc) as employee and that only 33(34 4%) did not know their rights as employees. Therefore, we can arguably conclude that their ignorance of Labour Laws and their rights contribute to some extent to their frequent change of jobs.

Some nightclub employees (9.2%) explained that they had to abscond and hence find employment elsewhere after being threatened to be surcharged for lost un-declared customer properties. While majority (80%) agreed that signing of a service contract was important, 18% of the respondents felt that it was not important or were scared of demanding a written contract in fear of losing their jobs. For some (36%), joining a trade union was prohibited by the employer and as such they would comply, take whatever remuneration and leave eventually when they find a better job hence impacting on labour turnover.

Perception of Labour Laws	No. of times changed jobs in the last 4 years before joining the current nightclub.					
	One	Two	Three	More than three		
Some				3(3.1%)	3(3.1%)	
None	18(18.75%)	36(37.5%)	15(15.65)	24(25%)	93(96.9%)	
Total	18(18.75%)	36(37.5%)	15(15.65%)	27(28.1%)	96(100%)	

Table 4.20: Perception of labour laws by migration status

Source. Field Data

This notwithstanding, employee perception of labour laws as shown in table 4.20 above, by itself may not be a very strong cause of high labour turnover within nightclubs. This is because Kenyan labour laws do not recognize the disequilibrium in terms of bargaining power between parties to an employment contract (Haijee, 1981). Mutunga(1980) observes that legal relations are fundamentally derived from economic relations. He further argues that the law of contracts treats unequals as equals, and although the Kenyan law has tried to mitigate this, the fundamental principle still remains, the worker is disadvantaged economically in relation to his employer. Thus given this imbalance, employee perception of the law may still not impact greatly on their decision to change jobs.

When asked to give some of the reasons that would make them take another job elsewhere, the respondents replied as follows;

Reasons for changing jobs?	Frequency	Percentage	Cumulative	
			Percentage	
Poor wages	51	53.1	53.1	
Poor Working Conditions	36	37.5	90.6	
Inadequate Incentives & Benefits	9	9.4	100	
Total	96	100.0		

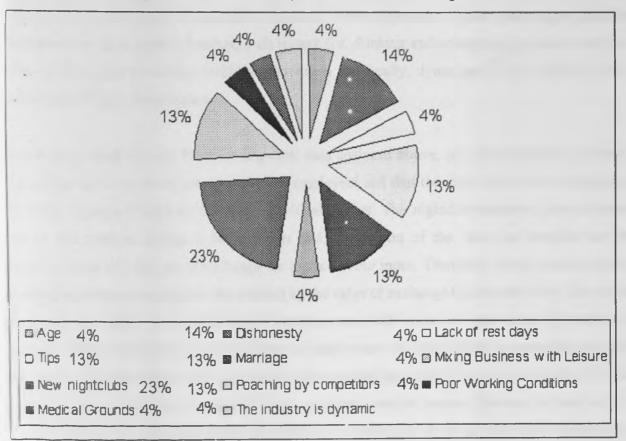
Table 4.21: Factors that can motivate one to change jobs

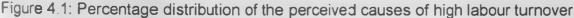
Source: Field Data

Table 4.21 shows that a majority (53.1%) of the respondents singled out poor wages as the main consideration that would make them change jobs. 9.4% of the total respondents identified lack of incentives and benefits while 37.5% pointed out poor working conditions among others. Other factors identified by the respondents include, harassment (18%), lack of growth opportunities (24%), long working hours (75%), lack of sufficient rest days (9.3%), and likelihood of getting tips. The findings concurs with Herzberg's two factor theory as well as Maslow's Needs theory, in that the nightclub workers identified various needs peculiar to each that would make them leave nightclub employment, hence impacting on labour turnover. The underlying factor was remuneration and therefore the net income to the employee in relation to the cost of living.

# 4.5: Other factors responsible for labour turnover

When asked to name other aspects that they thought contributed to high labour turnover within nightclubs, the key informants gave a variety of explanations. The pie chart below gives a summary of the percentage distribution of the perceived causes of high labour turnover within nightclubs as stated by various key informants who included people in the management.





#### Source: Field Data

A significant portion of the key informants (23%) named new and upcoming nightclubs as the main cause of high labour turnover within nightclubs in Nairobi as they attract new customers and seek experienced staff in order to make an impact in the market that is already overcrowded and competitive. In relation to this, 13% thus identified poaching by competitors as another cause of high labour turnover within nightclubs in Nairobi. Poaching was treated in isolation because the key

informants explained that some competitors would use the mechanism to get their opponents out of business.

Out of the 36 key informants 14% of them identified dishonesty(i.e. theft by servant, stealing from clients among others) by the nightclub employee, 13% named marriage especially for women(i.e. once married, female workers tend to abscond), while another 13% singled out tips from customers (i.e. nightclub workers tend to change jobs to venues where customers are known to frequently and generously give tips) as the key causes of high labour turnover among nightclub employees.

Figure 1 above also shows that 4% of the key informants identified age factor of the nightclub workers to be a main cause of high labour turnover within nightclubs. Similar percentages identified inadequate rest days, mixing business with leisure (i.e. drinking and/or engaging in leisure activities while on duty), poor working conditions, sickness and finally, dynamism of the industry to be a main cause of high labour turnover.

In summary therefore, and from the empirical data analyzed above, one can conclude that indeed, high labour turnover exists among nightclub employees and that the main causes vary according to the potent needs and aspirations of an individual worker. The nightclub employer plays a central role in this trend as he/she is the provider and determinant of the value and benefits that the nightclub employee can get in exchange for his/her labour input. Therefore, labour turnover among nightclub employees is arguably determined by the value of exchange for their services. This can be summarized in terms and conditions of employment, both economic and social (Robertson & Thomas, 1968). These terms and conditions of employment, in itself relates to more than just rates of wages or earnings measured in monetary terms or other payments, it is partly a function of what wages can buy, considering the cost of living, prevailing costs of commodities and services, as well as opportunities for individual social development. Considering all these, and notwithstanding the ability of the employer (nightclub) to meet the required human capital, the rate of labour turnover in this sector cannot be overemphasized.

#### Chapter Five

## Summary of Findings, Conclusion and Recommendations

## 5.1: Introduction

The purpose of this section is to recap the major findings, draw significant conclusions and make recommendations to policy makers and researchers based on the findings. The overall objective of the study was to examine the factors responsible for high labour turnover within nightclubs in Nairobi. The specific objectives were to;

- 1. Investigate how salaries and wages in this sector influence the rate of labour turnover,
- 2. Find out if employee perceptions of labour laws have an impact on labour turnover,
- 3. Investigate whether the existence or lack of discrimination (on the basis of sex and/or ethnic criteria) influence labour turnover in this sector, and
- 4. Find out whether employee level of education has an impact on labour turnover.

In the following sections, the findings are summarized and some conclusions drawn.

### 5.2: Summary of Key Findings

The findings of this study underscore the fact that there is indeed high labour turnover within nightclubs in Nairobi The factors responsible for this trend range from issues pertaining to wages, availability of tips and other monetary benefits, employee attitude and perception of labour laws, as well as employer's attitude towards the whole notion of labour turnover.

The study found wages to be the main cause of high labour turnover within nightclubs in Nairobi. Although 37.5% of all the respondents reported that their wages were fair compared to their colleagues, 71.88% considered changing their jobs due to the same factor. The study also found out that some workers would opt to keep up with a low wage due to the availability of incentives such as tips, which sometimes may be three or four times their normal salary. It was found that 75% of all respondents earn less than Kshs 10,000/=, and slightly over a half of this number earn less than Kshs. 5,000/=. The gazetted monthly basic minimum wages for nightclub workers (e.g. waiters and cooks) in urban areas (i.e. Nairobi, Mombasa and Kisumu) for the years 2002, 2003 and 2004 were Kshs. 3,800/=, 4,218/= and 4,682/= respectively (Economic Survey, 2005). The gazetted and the actual wage levels seem to marry to some extent, and arguably low in comparison to the cost of living in the cities, especially in Nairobi. There was thus, a general perception that the sector offers insufficient basic reward packages to its workers, hence the high labour turnover in search of better pay.

Out of the 63 male respondents 33 of them felt that men are the majority workers in nightclubs, while the female were divided as to whom between men and women are the majority in nightclub employment. However, 75% of the key informants felt that men are the majority in nightclub employment. Despite the fact that men were the majority in the study population, the study revealed that 75% of all respondents agreed that both men and women were equally treated. In addition 78.1% of all the respondents felt that access to resources and opportunity within the nightclubs was not based on ethnicity and/or sex. Thus, although there were reported cases of discrimination along ethnic lines and sex, the findings indicate that there was no strong relationship that could suggest that opportunity policies and practice were influenced by ethnicity and sex to the extent of impacting on high labour turnover within nightclubs in Nairobi.

The study established that there are hardly any significant discrimination cases along ethnic and/or sex lines that would in essence influence high labour turnover in nightclubs. Interviews with the respondents revealed that there is a general understanding that leisure goes with alcohol, drugs, sex, and music. Therefore the issue of discrimination along sex (i.e. being male or female), or even sexual harassment is almost unthinkable unless it is a clear case of assault according to 75% of the primary respondents. The issue of sexual harassment from senior colleagues e.g. supervisors and managers was not mentioned at all. On discrimination along ethnic lines, majority of the respondents (66%) felt that it was not a major concern that would drive one to change jobs. Thus discrimination related to ethnicity and sexual matters was not considered to be a key factor contributing to the high labour turnover in nightclubs in Nairobi.

The study showed that 96.9% of all respondents did not know any labour law by name, and that 65.6% knew at least some of their basic rights as employees. There is an old Swahili saying that "Wajinga ndio waliwao" meaning, the wise thrive on the ignorance of the fool. Due to their poor perception of labour laws therefore, workers within nightclubs may choose to quit their jobs due to

various intimidations from their employers, take-up jobs without giving any thought to contract of service, succumb to illegal dismissals, work under poor conditions, work for wages below the stipulated minimum wage, etc. All these are likely to culminate in discontentment and thereby job search, hence the observed high labour turnover within the sector.

It was also noted from the study that the level of education is also a contributing factor to the high labour turnover within nightclubs in Nairobi This was shown by the fact that out of the 51(53.1%) of those earning between Kshs 5,000/= and 10,000/=, 39 (76%) of them were college graduates. In addition, 9 out of the 12 respondents earning above Kshs. 15,000/= were also college graduates. Thus, it is evident that those with higher education were generally better remunerated than their counterparts. The data showed a notable movement from previous nightclubs especially among those who had attained secondary education, in that 34% who were initially earning below Kshs. 5,000/= moved to the category of those earning between Kshs 5,000/= and 10,000/=. This is in relation to movement 67% of those who had attained college education in the same wage categories. Therefore we can argue that depending on ones' level of education, nightclub workers will tend to look for jobs that pay slightly better in recognition of qualifications and skills.

Other notable findings were trade union enrollment, the age factor and long working hours as contributing factors to high labour turnover among nightclub workers.

The study established that there is low trade union enrolment in the sector. Out of the 96 respondents 90(93.7%) were not members of a trade union. Most of them had an idea about the role of trade unions but had their reservations since the whole notion of trade unionism was not clear to them. This problem is also recurrent in the United Kingdom where, according to the third Workplace Industrial Relations Survey (WIRS), Hotels and Catering had the lowest trade union presence (3% union membership) of any sector in the economy (HTF, 1998).

This means that industrial relationship based on a partnership between the employer, employee, and trade union is largely lacking. As a result therefore, the unionizable workers within the nightclubs are arguably disadvantaged in terms of their bargaining power. This has an impact on the high labour turnover within the nightclubs in Nairobi. This is partly because individually workers cannot successfully pressure for pay increments, improved working conditions, proper compensation for

overtime worked etc. Workers therefore, opt to look for alternative jobs when continually faced by some of those issues and therefore lead to high labour turnover.

Age is one of the major determinants of labour turnover in nightclub employment. The older the nightclub employee, the less likely they are going to change jobs. The younger the employee, more frequently they are going to change jobs. Out of the 45 respondents between the age of 20 and 29, 27(60%) served for less than one year in their previous employment, while 24(53.4%) of them had served for the same period in their current employment. This is in comparison with those within the age bracket of 40 to 49years whereby 100% of them had served for over 2.5 years in their previous employment and for periods of more than 1.5 years in their current employment. Thus, owing to responsibilities, and obligations that go in tandem with age-brackets, we can arguably say that age is among factors that influence labour turnover among nightclub employees.

The research findings showed that some respondents were apprehensive about long working hours without due compensation. Out of 18.8% of all respondent who identified faith and religion to be a factor for the high labour turnover, almost all of them (92%) mentioned the unsocial hours and family unfriendly shift patterns prevalent in nightclubs. The study however, seems to negate the notion that employment in leisure industry is highly seasonal. Although this may be the case in other sub-sectors of leisure industry (tourist oriented hotels), the prevalent aspect in nightclubs especially during the so called high seasons is long working hours which according to most of the respondents (75%), uncompensated. This forms a source of discontent among the employees and thus possibility of changing jobs.

Majority of the key informants however, identified poaching of employees (13%) by competitors as well as mushrooming of new establishments (23%) as the key contributing factors to high labour turnover within nightclubs in Nairobi as indicated in figure 1. This can be arguably attributed to the better pay perks that come with new establishments and hence a pull factor for human capital.

## 5.3: Conclusion

The rate of labour turnover based on data collected from the study population, was estimated at 37.5% within the nightclubs in Nairobi. The findings signify a relatively high labour turnover as compared to 10%t recommended annual labour turnover rate. In spite of the presence of high labour turnover within the sector, most key informants who included employers in the sector tend to accept this situation as an immutable fact of life, hope for the best and try to work round the problems it causes on an ad hoc basis. As a matter of fact, 66.7% of the key informants acknowledged that labour turnover is a problem especially when it comes to losing clients to competitors due to poor service as a result of frequent change in employees. Others associate high labour turnover to an addiction by employees frequently to change jobs irrespective of any factor. Thus, instead of seeking for ways to control high labour turnover, some employers are resigned to the situation.

Therefore deriving from the above findings, the study concluded that;

- Labour relations mean very little in this sector and the worker is usually left to hop, step and jump from one nightclub to the other hoping to find some solace. This is because trade union activity is very minimal (only 6.3% trade union members) and knowledge of labour laws is very poor owing to the fact that 96.6% did not know any labour law by name.
- 2. The sector has a weak or non-existence of well-developed, formalized personnel and industrial relations policies. The overall picture is one of ad hoc, informal human resource practice which pays scant regard to professional standards. This report underline the difficulties that face this sector in terms of recruitment without due regard to contract of service (78% of the respondents never signed a contract of service), inability to retaining workers in the face of perceived poor wages, poor working conditions, and poor career advancement opportunities among others, that lead to high labour turnover.
- 3. Generally, human capital does not seem to be highly valued in this sector, an indication that employee needs may not be sufficiently achieved, and hence the high labour turnover within the sector. This is showed especially when a majority of the key informants (66.7%) acknowledge that labour turnover is a problem and yet they choose to resign to the situation without taking any corrective and preventing measure, in spite of the eminent costs involved.

4. Wages that are not in tandem with costs of living in the city have contributed to the high labour turnover in the nightclubs. This was indirectly expressed by 71.9% of the respondents, who cited low wages as their main cause of frequent change of jobs. Thus, although the wage levels are within the gazetted basic monthly earnings, the key concern is on what wages can buy, considering the cost of living, prevailing costs of commodities and services, as well as opportunities for individual social development. Arguably therefore, when given a slightly better pay (or monetary incentives), nightclub workers change jobs in the hope of meeting a particular need, for instant house rent, food, clothing, among others.

#### 5.4: Recommendations

From the findings and the conclusions drawn from this study, the following recommendations can be made in relation to high labour turnover within nightclubs in Nairobi.

Firstly, employers should invest in higher wages in order to make the sector more profitable not only to themselves, but also increase the national gross domestic product (GDP) as well as improved living standard of the workers, while at the same time reduce the rate of labour turnover in the sector.

Secondly, Labour inspections should be conducted more frequently by the Ministry of Labour to monitor the implementation of Labour Laws. This is 10 ensure good working conditions, fair wages, proper human resource practices and other related terms and conditions of employment are observed in the sector, and hence contribute towards reducing the rate of labour turnover.

Third, The Ministry of Labour should also create awareness among the workers on their rights and the channels to be followed in case of disputes and abuse of the same. This measure will not only contain employers, but will also make nightclub workers aware of their obligations as employees and some of the benefits they could be missing by frequently changing jobs, thereby curtail their frequent job changing habits. Fourth, the trade unions in this sector need increase their activity within this sector in order to sensitize the workers on issues pertinent to their nightclub employment, as well as improve their bargaining powers with the employers. This will arguably lead to improved terms and conditions of service and hence reduce labour turnover among nightclub employees.

Fifth, there is need to review the current labour laws in order to cater sufficiently for the needs of all the parties involved in labour relations. This is because most of the existing labour laws are proemployer and therefore leave the employee disadvantaged. Thus, even as we seek to create awareness on labour rights among nightclub workers, there is need to review certain laws (e.g. The Employment Act Cap 226, and Regulation of Wages and Conditions of Employment Act Cap 229,) in order to effectively cater for issues such as wage policies that cater for changing socio-economic conditions among others.

#### 5.5: Areas for Future Research

There is need to carry out similar studies in other cities and key urban areas of Kenya e.g., Kisumu, Eldoret, Nakuru and Mombasa so as to identify the explanations for high labour turnover in nightclubs, which may be peculiar to them

The above notwithstanding, there is also need for conducting studies on labour turnover in other sectors of the economy in Nairobi and elsewhere as this study was carried exclusively within nightclubs in Nairobi

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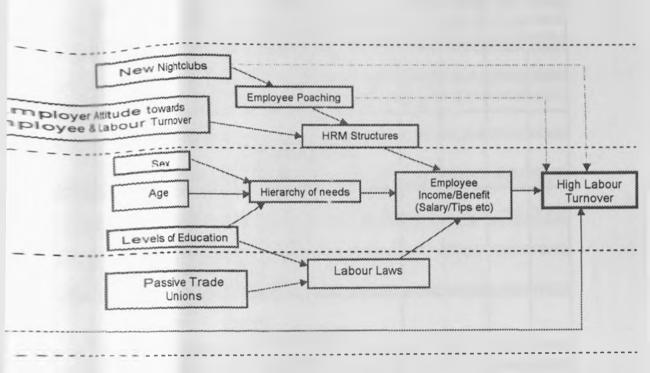
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# -abour Turnover - Findings



ield Data

Key:

A Causes B

INISION	NIGHTCLUB		REQUIRED	BELECTED	NO OF STAFF	Selected Employee
BERA	1 The Cockpil	Langata Shopping Centre		-		2
	2 The Camivore	Langeta Roed		-		
	3 Pays 4 Beative Sar	Langets Shopping Centre			-6	2
	5 Jeens Ber	Acacia Avenue		-		
	6 Dumbusters	Lenana Rd				
100	7 Gazebo	Sert Centre			0	3
_	8 Kangeles	Langate Roed		_	6	2
	9 She Night Club 10 Pub Vigitante	Gedhi Av Nerobi West Mbagathi Rd/Soweto Kibera	6	-		
ESTLANDS	1 K1 - Klub House	Ono Rd	-	-	32	9
	2 Anahem Enterprises	Ned to Dobe Museum Parklanos Rd				
	3 Moon Bar & Rest	Buchi Hee, Woodvele Grove Westlands				
	4 Kinyua Club 5 Checkers Inn	Weiyaki Way	-		12	3
	6 Three Wheels	Damond Ptaza, Highndge Viestande Shepping Centile	3	18 22 Q	14	ě
UMWANI	1 F2 - Fiords Night Club	Mol Ave Town	-		22	8
	2 Modern Gillhunu Club	Entering Sec II			7	2
	3 Club Changes	Ngara Roed				
	4 New Ngara Day & Night Club	Desai Rd EasBeigh 2nd Street	-		-	
	5 Wangers Restaurant 6 Buffalo Inn	Pumweni Rd				
	7 Steve Lecey & Brownwen Club	Park Road				
	8 Daney Club	Eastleigh 7th Street	-			
	Il Taxos - Feter Kimani Gshoop	Rimsthi Street	4		17	8
AGORETI						
	1 Sawa Sawa Night Club	Nganda Rd				
	2 Caffe Cream 3 M - Club	Yaya Centre Argwing Kodhek Rd Dagoreb/Kangemi Shopping centre				1
	4 Gachungwei Day & Night Club	Kangemi	-	-		2
	5 Mutaro Garden Club	Dagoret/Hiruta - Navasha Rd	-			
	6 New Ganerations Club	Kangemi - Hinga Rd			6	2
	7 Mary Sam Club	Kwangware - Newesha Rd				2
	8 Gitoka Bar 9 Pavement Ltd	Kengemi - Wayaki Way Westy wy Centre, Ring Rd, Westianda				E.
MAKADARA	1 IC2 - Kiub House	Baricho Rd, Industrial Area		-	22	
	2 Enzogu tiptels	Mombasa Rd		1.00	8	2
	3 Elbow Enterprises	Hamza Rd. Makadara				
	4 Club Sundowner 5 Mwakangu Club	Enterprice Rd, Commercial St, Mweru Complex Outering Rd	2			
	2 80040120 0100		-			
EMBAKASI	1 Shetter Ville	Ruai Kangundo Rd				
	2 Syama Vike	Koma Rock, Near Kanu Office		30 X	7	2
	3 Las Vegas Club	Kangundo Rd		S	10	3
	4 National Bar & Restaurant	Outering Rd, Embekasi				
	S Club East City	Kayas			1	1
	6 High Rider 7 The Pines Club	Kwere, Embakasi, Outering Rd Tasis: Outering Rd	3			
						1
CENTRAL	1 Abbey Hotel & Reet	Gabrone Rd, Off Luthuli Ave			13	
	2 Motom Green D & N Club	Latama Rd			8	2
	3 Silvermine Café	Alliance Biding				
	4 Hillock Inn 2000 Club	H Sellasie Ave				
	6 Sebine Joy D&N Club 6 Achievens Bar & Rest.	Mot Ave Metrica Aut			6 12	23
	7 Kafico	Nduruma Rd				
	8 Disney Club	Juja Rd				
	S Nyanas Han D&N Club	JIVERGEE St			5	1
	10 Roast House 11 Wilton Gateway Club	Kaelorok Rd Dubois Rd			16	40
	12 Kakamega D&N Club	Sheikh Karume Rd				
	13 Doice Club	Komage Street				
	14 Savay Casino	Riterand Ngala St			10	3
	15 Kat-Rina	Juja Rd				
	16 Ngatho D&N Club	Race Cource Rd Gaberone Lane, Off Luthuli Ave			10	3
	17 Appies Bens Pub & Rest. 18 Polo Pub & Rest.	Tem Moore Str			10	
	- 19 Jazz Pub	Mos Ave			a	
	20 Athusi D&N Club	Ukwala Rd	1			
	21 Pipes Bar & Rest	Tom Mooya 6U			11	а
	22 Sparks Gril & Restaurant 23 Sol Night Club	Mfangano Str Sheikh Karume Rd	11			
	23 Soi Night Club	Show Asune Au				-

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