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Hierarchical Culture Orientation and Employee Turnover at Private Members Golf Clubs in Nairobi City County, Kenya

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Abstract

This study sought to establish the effect of hierarchical culture orientation on employee turnover at Private Members Golf Clubs in Nairobi City County. A total of 578 employees working in various sections of the golf clubs were targeted for the study. Data was collected using a semi-structured questionnaire and interview schedule. The study found a relatively low level of employee turnover among the Private Members Golf Clubs which was attributable to the existence of functional hierarchical culture orientation. It is recommended that to further enhance employee retention at the private members golf clubs, the hierarchical culture orientation aspects of criteria for success, strategic emphasis, organizational leadership and dominant characteristics should be more emphasized and entrenched by these institutions as their effect on reducing employee turnover was found to be statistically significant.

Keywords: Private Members Golf Clubs, Employee Turnover, Organizational Culture, Hierarchical Culture Orientation

1. Introduction

The global golf tourism market was worth approximately USD 22.92 billion in 2016 and is projected to grow to USD 44.6 billion by 2021 (Gacheru, 2017). In the circumstances, golf tourism sector would require more workforce in order to offer exemplary customer service. Within the Kenyan context, the Kenya National Bureau of Statistics [KEBS] (2016) notes that 72% of international arrivals in Kenya in the year 2016 were for holiday reasons indicating the significance of the tourism sector.

The Kenya development blueprint, Vision 2030, projects a sustained national economic growth of 10% per annum for Kenya to attain middle income status. To a large extent, this would be achieved in the event that organizations endeavour to ensure employee retention and productivity. Appropriate organizational culture



orientation is vital to the organization when formulating employees' retention strategies (Leena & Lissy, 2012; Kristof-Brown et al., 2005).

Organizational culture is a structure of shared norms, values, and views that governs employee behaviour in the workplace and have a pronounced influence on how employees act and execute their daily responsibilities in the workplace. Organizational culture is an implied, often invisible aspect of organizations, commonly denoted by the slogans like "*the way we do things here*" (Schein, 2010). Every organization advances and preserves an exceptional organizational culture which gives guidelines and limitations on conduct to their employees.

Schein (2010) further notes that organizational culture is an outline of basic common traditions learned by a group as it resolves its challenges on internal integration and external adaptation. On their part, Cameron and Quinn (2011) observe that an organization's sense of distinctiveness, mission, values, aims, goals, and shared values has a strong relationship with the organization's culture. Disregarding organizational culture can lead to negative consequences such as high employee turnover. Burton (2006) argues that 80% of employees turnover decisions in an organization arise from the lack of shared experience of the company's culture among its employees.

The meaning that employees attach to organizational events, policies, practices, procedures and the behaviours they see being rewarded, punished or supported by the management, are usually unspoken and these meanings are derived from the inner core layers of the organizational culture (Ehrhart et al., 2014). Every employee in an organization owns a unique set of norms, values, and beliefs towards the organization where they work, whereas organizations have a different set of values. Adapting to the new organizational culture helps the new employee to be satisfied with the organization culture and this improves their productivity and satisfaction and this inturn reduces employee turnover (Haggalla & Jayatilake, 2017). The contentment the employee feels towards their job and intentions to quit their employment is strongly rooted in the way they perceive the organization's support. These perceptions are induced by the organizational culture's underlying assumptions, which most employers take for granted (Bonoli, 2014). Wahida et al. (2016), Misigo and Moronge (2017) observe that most organizations in Kenya have struggle to attract, retain, and motivate employees resulting to high employee turnover.

An organization that is well structured and formalized and where rules and procedures guide how an employee performs their daily duties has a hierarchical culture orientation. The management of such organizations is characterised by efficiency-mindedness, great coordination and high organization skills (Cameron & Quinn, 2011). Hierarchical cultures are accompanied by sound policies that create the prospects of improving employees retention and commitment (Kessler, 2014). When employees express their apprehensions on how the organization is managed through efficient



communications from management and friendly work ideologies, they may stay longer with the employer (Uzoечи et al., 2013).

A high employee turnover is generally prevalent in the hospitality industry due to low-paying jobs, late working hours and limited chances for personal development (Davidson et al., 2011). Employees in high-turnover organizations usually do not spend sufficient time on the job to grow mutual relationships and bonds with other co-workers. Thus, the development of teamwork is impossible in such organizations (Sulakshna et al., 2014). Organizational management should focus on augmenting the organizational culture in order to improve employee commitment. For employees to be more dedicated to their organizations, modifications need to be made on the organizational culture. The hierarchical culture orientation is one way of enhancing employee retention if well implemented.

1.1 Objective of the Study and Conceptual Framework

The key objective of this study was to determine the effect of hierarchical culture orientation on employee turnover among private members golf clubs in Nairobi County and was guided by the conceptual framework in Figure 1.

HIERARCHICAL CULTURE ORIENTATION

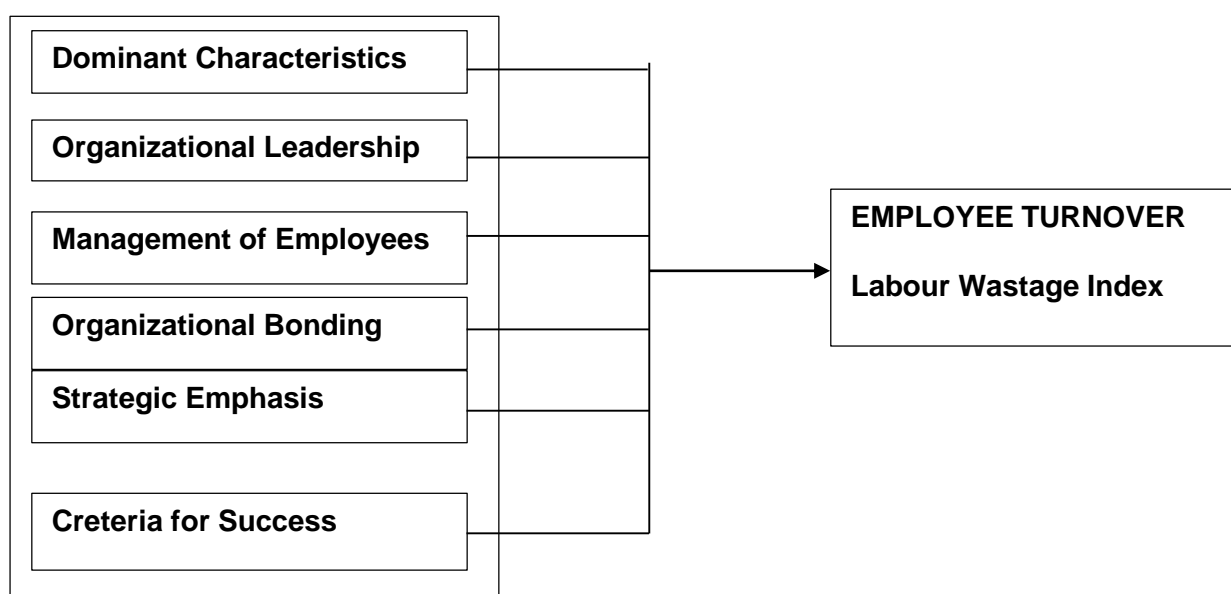


Figure 1: Conceptual Framework of Hierarchical Culture orientation and Employee Turnover

Source: Adapted from Carmeron and Quinn (2011)

2. Methodology

The study utilized a cross-sectional descriptive and quantitative survey research design. A total of 574 randomly selected employees from the key departments of the private golf clubs were targeted as respondents for the study. The respondents were drawn from the following departments: food and beverage, golf and estate, gymkhana and sports, front of the house as well as finance, human resource, stores and administration.

Data was collected using a self administered semi-structured questionnaire which was complemented with an interview schedule.

Conceptual variables and measures operationalizing the concept of hierarchical culture orientation which constituted the independent variable were informed by the Organization Culture Assessment Instrument (OCAI) advanced by [Cameron and Quinn \(2011\)](#) who identifies the attributes of hierarchical organizational culture as dominant characteristics, leadership, management of staff, organization unifying factors, strategic focus, and means of measuring success in the organization.

The dependent variable which was employee turnover was operationalized by the labour (workforce) wastage index which was calculated using the [Beardwell and Holden \(1997\)](#) formulae for calculating manpower wastage percentage in an organization within a specific period as follows:

$$\text{Labour wastage index (\%)} = \frac{\text{Number of employees who left the employment during the period}}{\text{average number of employees over the period}} \times 100$$

3. Results and Discussion

3.1 Extent of Employee Turnover at the Private Members Golf Clubs in Nairobi City County

The research data on employee turnover details is highlighted in Table 1.

Table 1: Employee Turnover at the Private Members Golf Clubs

Total Employee Turnover in 2018	Total Voluntary Employee Turnover in 2018	Total Involuntary Employee Turnover in 2018
82	34	48

Source: Research data (2018)

The findings in Table 1 indicate that of the total number of employees who left the employment of the studied private members golf clubs in 2018 were 82 constituting 14.96% of the 548 employees who were successfully surveyed. The study results also reveal that 34 (6.2%) of these employees left their employment voluntarily while 48 (8.76%) left the golf clubs involuntarily mostly due to termination of their employment contract by the employer.



The labor wastage index was consequently computed as follows:

$$\begin{aligned} \text{Labour wastage index \%} &= \frac{82}{548} \times 100 \\ &= 14.96\% \end{aligned}$$

The results on the labour wastage index contrasts the findings by Kuria et al. (2011) whose study on factors influencing labour turnover in three and five star-rated hotels in Nairobi City County found a labour wastage index of 68%. However, the differences in the labour wastage indices between the two studies may be attributed to organizational culture differences in hotels compared to private members golf clubs which are nonprofit organizations while hotels are purely profit-oriented. A similar study by Compdata Surveys and Consulting (2018) found the average employee turnover for the hospitality industry in the United States of America (USA) to be 28.7%. In relative terms therefore, employee retention among the private members golf clubs in Nairobi City County is therefore quite reasonable.

3.2 Effects of Hierarchical Culture Orientation on Employee Turnover at the Private Members Golf Clubs in Nairobi City County

To establish the effect of hierarchical culture orientation on employee turnover at the private members golf clubs in Nairobi City County, a multiple liner regression analysis was conducted. Table 2 shows the data analysis findings.

Table 2: Regression Results of Employee Turnover Against Hierarchical Culture Orientation

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	10.185	.718		14.186	.000
Dominant Characteristics	-.747	.372	-.136	-2.008	.046
Organizational Leadership	-.971	.400	-.170	-2.428	.016
Management of Employees	-.628	.342	-.119	-1.835	.068
Organizational Bonding	-.408	.435	-.072	-.939	.349
Strategic Emphasis	-1.329	.435	-.226	-3.055	.003
Creteria for Success	-1.404	.376	-.243	-3.739	.000

a. Dependent Variable: Total_Employees_Turnover_



The study results in Table 2 reveal that at a significance level of 0.05, all the six aspects of hierarchical culture orientations namely Dominant Characteristics, Organizational Leadership, Management of Employees, Organizational Bonding, Strategic Emphasis and Criteria for Success have a negative linear relationship with employee turnover implying that the existence of these aspects within the private members golf clubs enhances employee retention.

The findings further indicate that the negative linear relationship between the aspects of hierarchical culture orientation and employee turnover is statistically significant for the criteria for success ($\beta = -0.243$; $p\text{-value} = 0.000$), strategic emphasis ($\beta = -0.226$; $p\text{-value} = 0.003$), organizational leadership, ($\beta = -0.170$; $p\text{-value} = 0.016$) and dominant characteristics ($\beta = -0.136$, $p = .046$) on one hand and not statistically for management of employees ($\beta = -0.119$; $p\text{-value} = 0.068$) and organizational bonding ($\beta = -0.072$; $p\text{-value} = 0.349$) on the other hand. The implication of these findings is that a greater emphasis on criteria for success, strategic emphasis, organizational leadership and dominant characteristics would greatly curtail employee turnover within the private members golf clubs in Nairobi City County

The results of this study concur with the findings in a study by [Bosomtwe and Obeng \(2018\)](#) conducted to establish the relationship between organizational culture and turnover intentions within the Economic and Organised Crime Office in Ghana which established when organizational culture attributes are improved, the rate of employee turnover decreases. However, the findings of this study contrast those of a study conducted on organizational culture and turnover intentions in international information technology firms in Sri Lanka which found that hierarchy culture orientation had a positive impact on employee turnover intentions ([Haggalla & Jayatilake, 2017](#)).

4. Conclusions and Recommendations

This study found a relatively low level of employee turnover among the Private Members Golf Clubs in Nairobi City County which was attributable to the existence of functional hierarchical culture orientation. It is recommended that to further enhance employee retention at the private members golf clubs, the hierarchical culture orientation aspects of criteria for success, strategic emphasis, organizational leadership and dominant characteristics should be more emphasized and entrenched by these institutions as their effect on reducing employee turnover was found to be statistically significant.

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