

**EFFECT OF REWARDS ON EMPLOYEE COMMITMENT IN STAR  
RATED HOTELS IN WESTERN TOURISM CIRCUIT, KENYA**

**BY**

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## DECLARATION

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## **DEDICATION**

To my dearest parents, the late Mr. Zablon Juma Kichana and Mrs. Elizabeth Adongo Juma for believing in me and always praying for God's blessings in everything I endeavoured to achieve.

## ABSTRACT

The tourism and hospitality industry is one of the fastest growing and largest employers in the world despite continued global economic challenges. However, keeping employees committed to their work has become a growing concern. Lack of motivation and job dissatisfaction have been deemed to lead to high employee turnover. Scholars and practitioners agree that there exist a positive association between rewards and employee commitment in organizations. Despite some hotels having adopted formal and informal rewards, it is not quite clear which set of rewards could enhance employee commitment in hotels in the best way. Additionally, few studies have explored the moderating role of employee motivation on the effect of rewards on employee commitment in hotels. The main objective of the study was to determine the effect of rewards on employee commitment in star rated hotels in the Western Tourism Circuit in Kenya. The specific objectives were; to identify rewards put in place; to assess the level of employee commitment; to determine the relationship between the rewards and employee commitment and finally to investigate the moderating influence of employee motivation on the relationship between rewards and employee commitment. The study used a cross-sectional research design to collect primary data. Thirty questionnaires were tested in order to check their content, construct and face validity. A reliability coefficient of .72 was obtained from the pre tested questionnaire thus the research instrument was considered reliable for the study. A population of 760 employees was drawn from 13 target hotels. Multi-stage sampling was used to draw 144 respondents. Quantitative data was analysed using descriptive and inferential statistics. Means and standard deviations were used to rank the rewards put in place by hotels and the level of employee commitment. Pearson's correlation was used to analyse the effect of rewards on employee commitment and finally multiple regression analysis to analyse moderating role of employee motivation on the relationship between rewards and employee commitment. A Pearson's  $r$  data analysis revealed a positive, moderate correlation between intrinsic and extrinsic rewards and employee commitment. Additionally, the overall regression model was significant  $F(3,140) = 22.90, P < .001$ . The  $R^2$  values indicated that rewards and employee motivation had an effect in employee commitment, i.e. intrinsic and extrinsic rewards incorporation alone ( $R^2 = .23$ ), Intrinsic and extrinsic rewards with the motivation as a moderator ( $R^2 = .51$ ). This indicated that about 51% of the variation in employee commitment was attributed to incorporation of intrinsic and extrinsic rewards with employee motivation as a moderator. The standardized beta values indicated varied levels of effects each variable contribute towards employee commitment. The influence of employee motivation on the level of commitment of employees with low motivation was significant  $P < 0.01$  contrary to employees with high motivation. It was concluded that rewards had a significant influence on employee commitment for employees with low motivation. The study recommended that there was need of enhancing employee motivation to improve employee commitment for employees with low motivation. Management in hotels should identify and incorporate both intrinsic and extrinsic rewards in their human resource practices. There was need to identify the most attractive rewards that would enhance employee motivation that could eventually improve employee commitment in the star rated hotels in Western Tourism Circuit, Kenya. The findings of this study will sensitize the key players and hotel entrepreneurs to identify and develop appropriate rewards that will enhance employee commitment in hotels.

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## **ABBREVIATIONS AND ACRONYMS**

<b>CBS</b>	Central Bureau of Statistics
<b>ECOHIM</b>	Eco-tourism Hospitality and Institution Management
<b>HRM</b>	Human Resource Management
<b>KTDC</b>	Kenya Tourism Development Corporation
<b>SPSS</b>	Statistical Package for Social Sciences
<b>TRA</b>	Tourism Regulatory Authority
<b>UNWTO</b>	United Nations World Tourism Organisation

## OPERATIONAL DEFINITION OF TERMS

The following definitions of terms will be adopted for this study.

**Contingent pay:** schemes for providing financial rewards that are related to individual performance, competency, contribution or skill.

**Employee Commitment:** A sense of attachment to a work organization.

**Extrinsic Reward:** Monetary rewards aimed at motivating innovative behavior and performance.

**Grade structures:** a sequence or hierarchy of bands or levels into which groups of jobs that are broadly comparable in size are placed.

**Hospitality Industry:** Entails the businesses that operate to meet lodging, vacation, business and recreational needs of visitors and resident population.

**Intrinsic Reward:** Non-monetary rewards, intangible in nature

**Reward Management:** The process of developing and implementing strategies, policies and systems which help the organization to achieve its objectives by obtaining and keeping the people it needs by increasing their motivation and commitment.

**Reward:** Reward refers to everything that the employee perceives to be of value resulting from the employment relationship.

**Western Tourism Circuit:** A route in Kenya on which tourist destinations are located. It covers ten counties namely: Bungoma, Busia, Homa Bay, Kakamega, Kisii, Kisumu, Migori, Nyamira, Siaya and Vihiga.

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## **CHAPTER ONE: INTRODUCTION**

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

Hospitality is considered one of the fastest global rising industries, contributing to more than one third of the service business (ILO, 2010 cited in Bharwani, 2012). The World Travel and Tourism Council (2006) indicates that, employment in Tourism and Hospitality was estimated to be over 230 million jobs and over ten percent of the gross domestic product worldwide by 2007. According to Kusluvan (2003), one of the major benefits of the development of the hospitality industry in any economy is the provision of employment.

The hotel industry is one of the major industries that play an important role in Kenya's socio-economic development. The hotel industry also offers a wide range of support to other pillars of the economy such as agriculture, infrastructure, research and development. This support takes the form of provision of conference facilities used majorly for seminars, workshops, dissemination of information, training as well as accommodation which is an integral part of the functionalities within the industries, (BMI, 2013).

Primarily, the hospitality industry strongly depends on the human factor and direct contact with customers. Human resources become the major role of the product, playing a decisive part in enhancing the organizational image (Bharwani & Butt, 2012). Defining the concept of human resource management in the mid-1980s led to a greater appreciation of the value that the workforce could make to the overall business goals of an organisation and how it could be groomed and cultivated to attain the best value for competitive advantage (Murphy, 2015). It is argued that human resource management practices have great influence in employee

commitment. Despite these facts, annual turnover rates that are as high as 50% remain the standard in the hospitality industry and many hotel operations have simply accepted this situation as a factor of doing business. Furthermore, a majority of those who work in the hospitality industry have plans of leaving the industry (Levine, 2005). A research undertaken by the Hotel & Motel Association estimated that the average annual turnover among hotel employees at non-management level at 50 percent, and 25 percent for staff in the management positions. The study also estimated the turnover levels to range from 60 to 300 per cent. (Gazioglu & Tansel, 2006).

Recent studies show that companies are putting so much effort in introducing several rewarding techniques to retain employee, (Seema, Arfan & Sharjeel, 2015). Rewards include all types of benefits given to employee: These can be in the form of cash or provision of suitable working conditions. Monetary reward is a tangible reward or that which has a physical existence. It is given after one has accomplished a goal. It is thus a tangible recognition. Psychological rewards are intangible awards of recognition, a sense of achievement and accomplishment, or a meaningful satisfaction. Both monetary and psychological rewards can create a positive vibe leading to a positive attitude thereby improving employee performance. Employee attitude will include: job satisfaction, organizational commitment and employee turnover intention (Seema, Arfan & Sharjeel, 2015). Reward management is both complex and problematic and very susceptible to external influences such as economic environments, culture and individual employee preferences and perceptions (Murphy, 2015). This is especially true in the hotel industry due to its dynamic nature. It is however not clear which set of rewards can work best to enhance employee commitment.



Scholars such as Mowday, Porter & Steers (1982), Salanik (1977), Scholl (1981) and Staw (1977) have long been interested in employee commitment. The more commitment individuals feel towards their work organizations, the more they share a collective view of what is good for those organizations. Armstrong (2009) argues that reward management is concerned with the development of appropriate organizational cultures, underpinning core values and increasing the motivation and commitment of employees. Consequently, there is increased demand to design and implement of reward management systems in hotels.

Different scholars have defined employee commitment in diverse ways (Mowday, Steers & Porter, 1979; Maxwell & Steel, 2003; He, Murrman & Perdue, 2010; Nartey, 2012). For instance, Mowday et al. (1979) noted that commitment referred to the relative strength of an individual's identification with and involvement in a particular organisation. Maxwell and Steele (2003) described employee commitment as the intensity of an employee's affinity to and participation in an organisation. He et al. (2010) on the other hand saw employee commitment as the psychological and emotional attachment of an employee to his or her organisation, accepting the goals and values of the organisation, and delivering high quality service in order to satisfy and retain customers. Narteh (2012) described employee commitment as a felt state of employees' attachment to their organisations, including their willingness to internalise the values of the organisation and abiding by the rules and regulations therein. For the purposes of this study, employee commitment is described as the strength of an employee's attachment to an organisation, usually manifested in employee internalisation of organisational values, going the "extra mile" to achieve corporate objectives and staying long in the organisation. Scholars have frequently measured employee commitment from three perspectives thus: affective commitment; normative commitment; and continuance commitment. (Yousef, 2003; Dixit & Bhati, 2012;

Narteh, 2012). An employee's commitment to an organisation could be based upon any one of these three types of commitments, or all of them as all the three sub-components are not mutually exclusive (Park & Rainey, 2007)

Employee commitment has been the subject of several critical reviews. Building employee competency and commitment is also recognised as a critical component in achieving global competitiveness (Karamally, 2004; Dauch, 2006). Hospitality companies need committed employees in order to increase productivity. Shortage of employees may affect operations and the profitability of hospitality businesses. Hotel employees' commitment is therefore an issue that warrants the attention of scholars and practitioners.

Zain, Ishak and Ghani (2009) established a direct relationship between motivation as a reward system and employee commitment. Flowing from the above, it is hypothesised as follows; H7: Employee motivation significantly impacts employee commitment. According to Cohen (1992), many empirical studies have focused on the effects of demographic factors, such as job level, tenure, and longevity or job characteristics, which include job scope, variety, and challenge on employee commitment and involvement (Griffin, 1991). Lincoln and Kalleberg (1990) have argued that the rewards offered by an organization may have a powerful effect on employees' attitudes towards their job and the company for which they work. Given that how an organization treats its employees may have a substantial influence on their attitudes towards both their jobs and the organization itself, an investigation of linkages between employee perceptions of rewards and the support they receive from their organization is of considerable interest, both theoretically and practically (Shore & Tetrick, 1991; Shore & Wayne, 1993).

The effects of reward systems on employee commitment in hotels have not received adequate scholarly attention in Kenya. Few studies have focussed on the effect of reward on other variables such as employee performance, motivation and attitude. For example, Okoth (2014) focused on the effect of reward on employee performance in Hotels in North Coast, Kenya. Local studies that have been undertaken on the influence on non-financial rewards on employee commitment includes Wambugu (2010) who undertook a study on the relationship between employee commitment and job performance at Kenya Institute of Surveying and Mapping. The findings of the study were that most of the employees are highly committed and value their career, job and organization.

Kamau (2012) studied the factors that influence organizational commitment of employees at Kenya plant health inspectorate Service Corporation and established that the factors influencing organizational commitment were education, duration of service and job category. Therefore, there is very little literature on the effect of reward on employee commitment in the hotel industry.

Although these studies contribute to the body of knowledge, it becomes apparent that there is need to research on the developing countries especially because previous studies focused on the Western world. It is on these premises that this study investigated the effects of reward on employee commitment among star rated hotels in the western tourist circuit in Kenya.

## **1.2 Statement of the Problem**

In recent years, growth has been witnessed in the Kenya hotel industry. Consequently, this has seen the industry rapidly achieve central significance in the country's economy. The hotel industry therefore requires that the highest possible service standards be maintained. This is, however, not always the case. There have been several instances of lack of motivation and

negligence by employees as well as high employee turnover in the hotel industry. These are indicators of lack of commitment. Various scholars have cited that keeping employees committed to their work has become a growing concern. However, empirical studies have revealed the hospitality industry records the highest turnover rates. According to International Organization, labour turnover in the hotel industry in Kenya, especially in the lodges was estimated at 60% by the year 2000, which was attributed to employees' dissatisfaction with their jobs. Scholars and practitioners also agree that rewards have a significant influence on employee motivation which might affect employee commitment. It is however not quite clear what set of rewards could influence employee commitment especially in the hotel industry. Several studies have been conducted focusing on the relationship between rewards and employee performance and rewards and job satisfaction (Wambugu, 2010 and Kamau, 2012). However, little has been done to authoritatively show the relationship between rewards and employee commitment while appreciating the moderating role of motivation particularly in the hotel industry in Kenya. This study therefore aimed at investigating the effect of rewards on employee commitment in star rated hotels in the Western Kenya Tourism Circuit.

### **1.3 Objectives of the study**

#### **1.3.1 General Objective**

The general objective of this study was to investigate the effect of rewards on employee commitment in star rated hotels in Western Tourism Circuit in Kenya.

#### **1.3.2 Specific objectives**

- i. To identify the types of rewards put in place by star rated hotels in Western Tourism Circuit in Kenya.

- ii. To assess the level of employee commitment in star rated hotels in Western Tourism Circuit in Kenya.
- iii. To determine the relationship between rewards and employee commitment in star rated hotels in Western Tourism Circuit in Kenya.
- iv. To investigate the moderating influence of employee motivation on the relationship between rewards and employee commitment in star rated hotels in the Western Tourism Circuit.

#### **1.4 Research Questions**

- i. What rewards are put in place by star rated hotels in Western Tourism Circuit in Kenya?
- ii. What is the level of employee commitment in star rated hotels in the Western Tourism Circuit in Kenya?
- iii. What is the relationship between rewards and employee commitment in star rated hotels in the Western Tourism Circuit in Kenya?
- iv. What is the moderating influence of employee motivation on the relationship between rewards and employee commitment in star rated hotels in the Western Tourism Circuit in Kenya?

#### **1.5 Justification and significance of the Study**

There have been numerous researches on reward management (Ahmad et al 2010; Attwood 2006; Armstrong & Murlis 2007). However little has been documented on the relationship between reward and employee commitment in the hospitality industry. Unlike in other parts of the world namely USA, India and Malaysia, there is no readily available record of empirical

research done on the effect of reward on employee commitment in hotels in Kenya. This raises the question whether key reward management policies documented for hospitality facilities in the developed countries can be applied directly by the hotels in developing countries such as Kenya. The findings of the study will contribute to the literature available on reward management and to show the relevance of these rewards in the hotel industry. This study also responds to calls to investigate the effect of reward on employee commitment (Kathure 2014). It complements the literature in the context of a developing country like Kenya. The study will benefit the management, key players and entrepreneurs of the hospitality industry in developing the appropriate reward policies that may enhance employees' commitment. It will assist in the management and retention of the competent employees to serve effectively and efficiently in the hospitality industry.

### **1.6 Limitations of the Study**

The study was confined within star rated hotels in the Western Tourism Circuit in Kenya i.e. those that are already classified and listed by the Tourism Regulatory Authority of Kenya (TRA). The researcher ensured that the research was not generalised to represent other hotels in the country by properly identifying the population intended for the study and making sure the selected sample represented that population. There was also scarcity of Kenyan-based research in hospitality and tourism that investigates the effects of reward on employee commitment. Therefore, the current study relied to a greater extent on information from research conducted in developed countries. A comparison of the results may have posed challenge since hotels in other countries operate in different business environments and this may not depict the typical situation in a developing country. The researcher therefore only made use of information relevant in both environments. Further, the researcher may not have been able to control the dynamism of the

hotel industry and hotels' organizational factors. It was also difficult to control the seasonality of business, political environment as well as the general industry trends. The researcher collected data during high season and in a stable political environment.

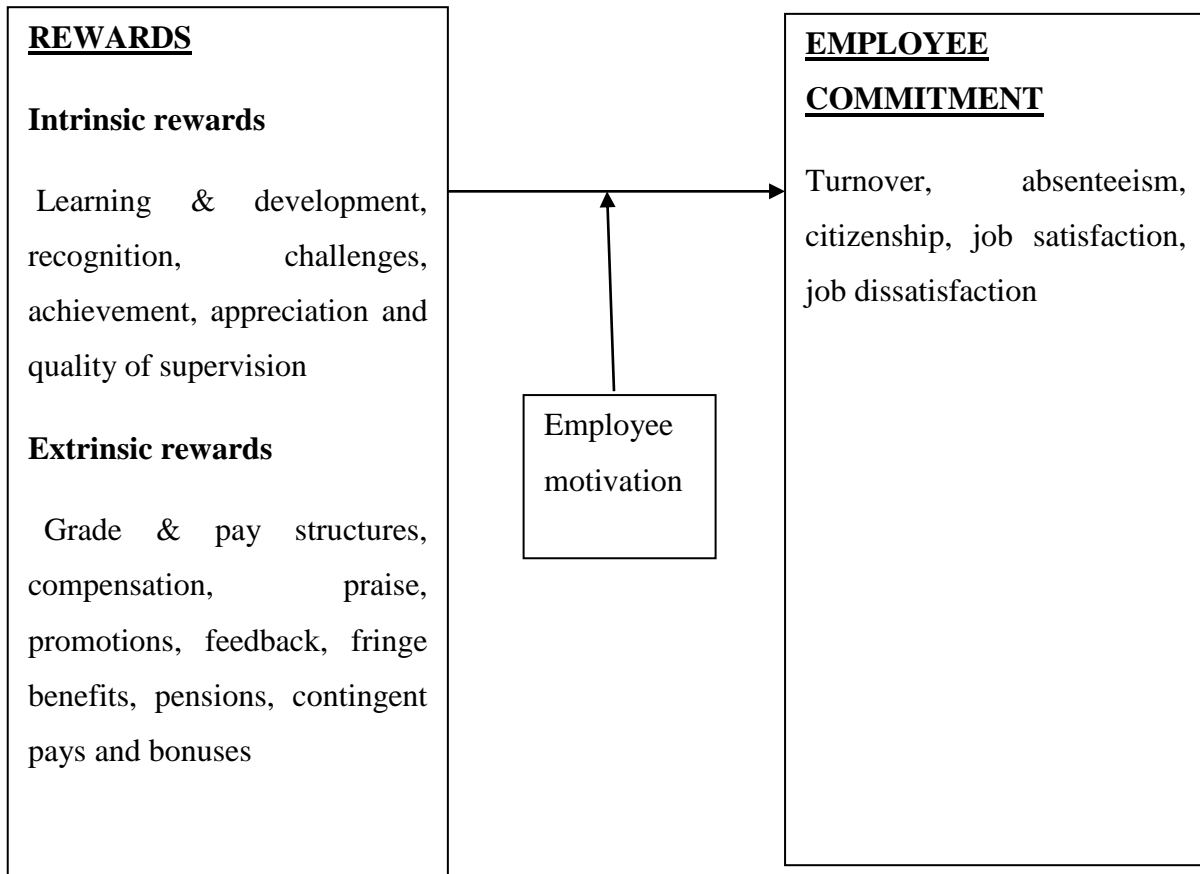
### **1.7 Assumptions of the Study**

The researcher assumed that the participants had the competence to fill in the questionnaires. It was also assumed that they had a sincere interest in participating in the research and therefore gave honest and candid responses. The study further assumed that the sampled hotels practices reward management programmes.

### **1.8 Conceptual Framework**

The variables in this study were classified into three i.e. Independent variables, dependent variables and moderating variables. Reward, with its dimensions (intrinsic & extrinsic rewards) was the independent variable. Employee commitment with its indicators (turnover, absenteeism, satisfaction) was the dependent variable. The conceptual framework showed the link between rewards and employee commitment while appreciating the moderating effect of employee motivation and attitude. The expectation was that the incorporation of rewards whether intrinsic or extrinsic would have an effect on employee commitment. This effect however would vary according to the employee's motivation. The conceptual model is displayed in Figure 1.

**RELATIONSHIP BETWEEN REWARDS AND EMPLOYEE COMMITMENT**



**Figure 1: Conceptual framework**



## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter provides a review of literature on the reward practices and their effect on employee commitment in hotels.

### **2.2 Rewards in Hotels**

The hotel industry has for a long time had reward management systems. Reward refers to everything that the employee perceives to be of value resulting from the employment relationship. It includes all types of rewards, direct and indirect, as well as intrinsic and extrinsic ones (Koskey & William, 2015). An organization's procedures, policies, and implications constitute the reward management system and organizations reward their employees according to their participation, skills, and performance.

When employees are shown that they are assets and that they are trusted, loyalty and commitment is created. Employees who are engaged in their work and committed to their organizations give companies crucial competitive advantage including higher productivity and lower employee turnover. It is not surprising that organizations of all sizes and types have invested substantially in policies and practices that foster engagement and commitment in their workforces, (Vance 2006).

#### **2.2.1 Intrinsic Rewards in Hotels**

Based on the findings by Abiola and Ajila (2004), intrinsic rewards can be termed as 'psychological rewards and examples are opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. Other examples include chances of future growth, flexible working

environment, and participation in decision-making. For better performance of employees, intrinsic rewards are equally as important as extrinsic rewards to keep them motivated (Harpaz, 1990). Ajila (2004) delineated intrinsic rewards as inherent in the job itself and which the individual enjoys as a result of successfully completing the task of attaining his or her goal.

Various authors such as Nadiri and Tanova (2010) have cited, some of the intrinsic rewards including learning and development, quality of leadership and supervision, recognition, communication and feedback, achievement, job design and role development, work/life balance, talent and performance management.

Leaders play a vital role in reward management. Leaders are the source of many relational rewards such as recognition through feedback, scope to carry out meaningful work and exercise responsibility and the opportunity to grow through workplace learning and training (Armstrong & Stephens, 2005). Employees need to know that their supervisors care about them. When employees feel that their supervisors care and understand them, they have higher levels of job satisfaction and organizational commitment. Listening to employees and their concerns, taking the information, and finding a way of alleviating some of the stress that they experience increases the commitment of the employees, if for no other reason than simply those employees seeing that the managers cares about them (Armstrong & Stephens, 2005)

According to Gibbons (as cited in Hughes & Rog, 2008), the personal relationship with a manager is one of the top drivers of commitment. The more involved a supervisor is with their employees, the better the chance of the employee choosing to stay with the organization in the

future. Recognition is one of the most powerful methods of rewarding people. Recognition can be provided by positive and immediate feedback from managers and colleagues that acknowledge individual and team contributions. It is also provided by managers who listen to and act upon the suggestions of their team members, (Armstrong & Stephen 2005).

Bai, Brewer, Sammons, and Swerdlow (2006) found that managers and employees held divergent opinions on changes within the work environment. Managers and employees have different things on their minds because of their training and experience. They are thus likely to see things differently. In addition to this, ineffective communication has an effect on commitment. Communicating with employees allows better service to be provided by instilling trust and honesty into the working relationship.

According to Armstrong and Stephens (2005), talent management is about ensuring that the organization attracts, retains, motivates and develops the talented people it needs. Internal marketing motivates employees and increases job satisfaction (Yang, Wan, & Fu, 2012). People feel rewarded and motivated if they have the scope to achieve as well as being recognized for the achievement. Employees who are not committed to quality can drive turnover (Robison, 2008).

Hotel supervisors must realize that any perceived unfairness will create dissention and have a negative impact on the work environment (Katcher & Snyder, 2007). Managers must focus on an employee's skills and abilities when making decisions and not on the type of friendship they have with them or a lack of perceived fairness will result in more turnovers (Nadiri & Tanova, 2010).

Failure to say exactly what is needed and expected of an employee can tire them out because it leads to role ambiguity (Harkins, 1998). It should therefore be clear to employees what is expected of them. This will save time that would have been spent trying to figure it out on their own or when they simply wait for a manager or supervisor to tell them what to do. Providing clear expectations can help focus an employee's efforts and increase engagement (Katcher & Snyder, 2007). This makes the job more rewarding.

The hotel industry has not developed the image of being a career opportunity. It needs to show people that they have the opportunity to grow into higher level positions. Like other industries, hospitality needs to give its star employees a possible career path, get them to embrace it and monitor their progress (Higley, 2003). Garavan et al. (2006) state that there is abundant literature highlighting that hotel managers report both dissatisfaction with their career progression and intentions to leave. Furthermore, managerial advancement in hotels is frequently unplanned and unsystematic. There are fewer training and development opportunities, managers experience work overload, have low levels of remuneration and experience managerial stress (Garavan et al., 2006).

A study by Walsh and Taylor (2007) concluded that, while compensation and benefits are important, most respondents seemed to indicate that no amount of money or benefits would hold them back in a dead-end job. The opportunity to learn a new skill, or take on a new challenge for career development is one of the top reasons employees leave their job, (Harder, 2009). Employees who want to move up in their careers need opportunities to learn and develop the skills they will require in order to do so. When an employee senses that they have good

advancement opportunities, they develop a stronger bond to the organization because they know that the company is preparing them for a more successful life (Costen & Salazar, 2011).

Promotions from within can boost engagement and organizational commitment while reducing turnover after the recession. Many hotels fail to promote staff from within. Doing so sends the clear message to those employees who stayed on and helped the company weather the storm that their actions were not valued. Managers must remember that employees want to develop personally and professionally. When organizations focus on developing talent, they communicate a strong message that they value their employees and want to see them grow and thrive (Morgan & Jay, 2011).

### **2.2.2 Extrinsic Rewards**

Extrinsic rewards are usually financial or tangible rewards. Abdullah (2013) proposed that extrinsic rewards include compensation, coworker's behavior, and job security. Besides, Yapa (2004) classified pay, promotion, interpersonal rewards, status, and fringe benefits as extrinsic rewards.

A policy is required on the degree to which equal pay considerations should drive the management of the reward system. Overall, the hospitality industry is at a far lower salary than comparable jobs, with typically longer hours. This industry is going to continually lose good people because they are better compensated in other industries. (Walsh & Taylor, 2007).

Individual contingent pay schemes other than service-related systems are rewards that relate pay to performance, competence, contribution or skill. It is argued that contingent pay rewards better performance, attracts and retains high quality people motivates people and influences behavior,

(Armstrong & Stephens, 2005). However, Kohn (1993) points out that contingent pay schemes can create more dissatisfaction than satisfaction if they are perceived to be unfair, inadequate or badly managed. The concept of contingent pay is based on the assumption that performance is completely under the control of individuals yet, in fact, it is affected by the system in which they work. This is especially true in the hotel industry.

Grade and pay structures including narrow graded structures, broad-graded structures, broad-banded structures, career and job family structures, pay spines, spot rates and individual job grades, define the different levels of pay for jobs or groups of jobs by referring to their relative internal value as determined by job evaluation, to external relativities as established by market rate surveys and, sometimes, to negotiated rates for jobs. They provide scope for pay progression in accordance with performance, competence, contribution or service, (Kessler 1992). Grade and pay structures can help organizations to flex rates of pay for different occupations to reflect variations in market rates and therefore provide for competitive pay to attract and retain people with essential skills. They can also indicate career paths within and, to a certain extent, between families. However, they can result in unequal pay for work of equal value between job families especially in the case of the hotel industry, (Armstrong & Stephens 2005).

Armstrong & Stephens (2006) stated that work/life balance policies can reward people by recognizing their needs outside work. This is done, for example, by providing more flexible working arrangements and making it clear that people will not be rewarded simply because they stay on after normal finishing time. Long working hours in the hotel industry effect on social life of employees as they do not have much time to spend with their family and friends. Hotel

employees usually either go early on duty or come out late. In both conditions they are not able to give proper time to their family (Sunil, 2012). This situation becomes more serious during holiday when there is the high season. Employees are forced to offer services to people on holiday yet they themselves would love to enjoy the holidays too.

Employee benefits including personal security e.g. healthcare, insurance, counseling; financial assistance through loans and mortgages; personal needs such as maternity, leaves and pre-retirement provide for the needs of employees. They are a means of increasing their commitment to the organization and demonstrating that their employers care for their well-being, Williams (2001) Good pension schemes help attract and retain high-quality people by maintaining competitive levels of total remuneration. They demonstrate that employers care about the future security and well-being of their employees, and pensions are a valuable means of gaining and keeping employee commitment to the organization.

### **2.3 Employee Commitment in Organizations**

Newstrom and Davies (2002) define employee commitment as the degree to which an employee identifies with the organization and wants to continue actively participating in it. Employee commitment refers to a sense of attachment to a work organization. A great deal of attention has been given to the study of commitment to the organization (Mowday, Porter & Steers 1982) in a model of commitment developed recently by Meyer and Allen (1987). A three approaches theory was developed in which commitment was labelled as 'affective', 'continuance' and 'normative' commitment, respectively. Employees with strong affective commitment remain because they want to, those with strong continuance commitment because they need to, and those with strong normative commitment because they feel they ought to do so (Natalie & Meyer 1990).

Like many constructs in organizational psychology, however, commitment has been conceptualized and measured in various ways. Porter and his colleagues developed the Organizational Commitment Questionnaire (OCQ) to measure the commitment construct (Mowday et al., 1979). This 15-item scale has been used extensively in research and has acceptable psychometric properties. Perceptions of job challenge, role clarity, goal clarity, management receptiveness, organization dependability, equity, personal importance, feedback and participation in decision making can be used to measure affective commitment (Arfan & Sharjeel, 2015). Continuance commitment can be measured by perceptions on transferability of skills, possibility of having to relocate if one changes the job, time and energy invested in the organization and pension portion to reduce if one left an organization. Normative commitment can be measured by perception on the extent to which employees feel organization expect their loyalty (ibid)

A primary differentiation in the literature on work commitment is between commitment to the job (typically referred to as job involvement) and commitment to the organization (Blau, Paul, & St. John, 1993; Randall & Cote, 1991). Although these two work attitudes are empirically interrelated, job involvement refers to the individual's level of psychological identification with the specific job in which he or she is engaged (Kanungo, 1982), whereas organizational commitment denotes employees' attachment to the organization (Porter, Steers, Mowday, & Boulian, 1974). Nevertheless, it is clear that both job involvement and organizational commitment can make important contributions to organizational success and effectiveness.

#### **2.4 Rewards and Employee Commitment in Hotels**

It is argued that, rewards are the most important techniques to keep employees committed to accomplishing their tasks. The focus of this study was on employee perceptions of organizational



support they receive and satisfaction with rewards available within their organization and their effect on both work and organizational commitment. The expectation is that employee commitment will be closely interrelated with the rewards given. Lincoln and Kalleberg (1990) have argued that the rewards offered by an organization may have a powerful effect on employees' attitudes towards their job and the company for which they work. Deeprose (2004) noted that effective non-financial reward system improves employee motivation and increases employee productivity which contributes to better enhanced commitment.

Research shows that providing rewards for goal attainment can increase goal attractiveness, which, in turn, has a positive effect on commitment (Wright 1992). Andrew (2004) concludes that commitment of employees is based on rewards and recognition

Few studies have examined the effect of type of reward on commitment. O'Reilly and his colleagues Caldwell et al., (1990), O'Reilly & Chatman (1986) have suggested that intrinsic rewards will probably be more salient for affective commitment (and, we would argue, job involvement), whereas extrinsic rewards are more likely to be important in relation to continuance commitment to the organization. Consistent with this reasoning, it is anticipated that satisfaction with intrinsic rewards will be positively associated with job involvement and with affective commitment, but will have little bearing on continuance commitment. In contrast, satisfaction with extrinsic rewards is expected to be important mainly for continuance commitment, but would play a relatively small role in the prediction of job involvement and affective commitment.

A research by Podsakoff, Todor, & Skov, (1981) and Sims, (1980) suggested that leader reward and punishment behaviors are powerful predictors of other outcome variables such as job

satisfaction and performance. It would therefore seem justifiable to expect that the receipt of rewards and/or punishment from one's organizational superior would also have an effect on employee commitment, and therefore to include these particular leader variables in any predictive model of organizational commitment.

## **2.5 Moderating Role of Motivation on the Relationship between Rewards and Employee Commitment**

Motivation is the desire to achieve beyond expectations, being driven by internal rather than external factors, and to be involved in a continuous striving for improvement, (Taylor & Atkinson, 2009). It is referred to as a reason for a particular behavior. In other words, a person does not perform any behavior of which there is no motivation or need as a stimulant. Reward is born as a means to help hotels satisfy their most important needs which are to attract, retain, motivate and engage staff, not just by means of salary increases and the like, but in a more effective way capable of producing long-lasting results. The aim of reward, therefore, is to maximize the positive impact that a wide range of rewards can have on motivation, job engagement, organizational commitment and job satisfaction (Manus and Graham, 2003).

The findings of studies conducted so far indicate that reward systems play a vital role in motivating employees to perform creatively (Eisenberger & Rhoades, 2001). The effects of rewards vary from one individual to the next. Some individuals respond more to intrinsic rewards, whilst others respond better to extrinsic rewards. It is therefore true to say that various rewards have various effects on employee motivation. Rizwan and Ali, (2010) are of the view that when effective rewards and recognition are implemented within an organization, a favourable working environment is produced which motivates employees to excel in their performance. Employee

motivation is very important for organizations as every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work, (Irum et al. 2014). According to Barber and Bertz (2000), Reward management system helps the organizations to attract, capture, retain and motivate employees with high potential and in return get high levels of performance.

La Belle (2005) posit that different individuals have different perceptions of rewards and believes that such factors are the main driving force of satisfaction and that they help boost the employee to work harder and better, due to the motivation that it brings about. Sometimes management pays more attention to extrinsic rewards but intrinsic rewards are equally important in employee motivation. Intangible or psychological rewards like appreciation and recognition plays a vital role in motivating employee and increasing his performance, (James & Jose', 2011). Employees 'motivation raises the satisfaction of the employees and involves them in their jobs, by that the employees become creative and they can improve the performance of their organization (Kamery, 2004; Nelson, 1996; Ekerman, 2006). According to the goal-setting theory, if people are provided with a goal followed by a reward, then they will be motivated. The goals should be specific and measurable, challenging but attainable, relevant to the organization and must be accomplished within a specific period of time. It is usually considered as a powerful motivational tool, (Rafikul, 2008). Commitment is critical to organizational performance, but it is not a panacea. In achieving important organizational ends, there are other ingredients that need to be added to the mix. When blended in the right complements, motivation is the result, (O'Malley, 2000). It is unlikely that employees will be committed if they are not sufficiently motivated.

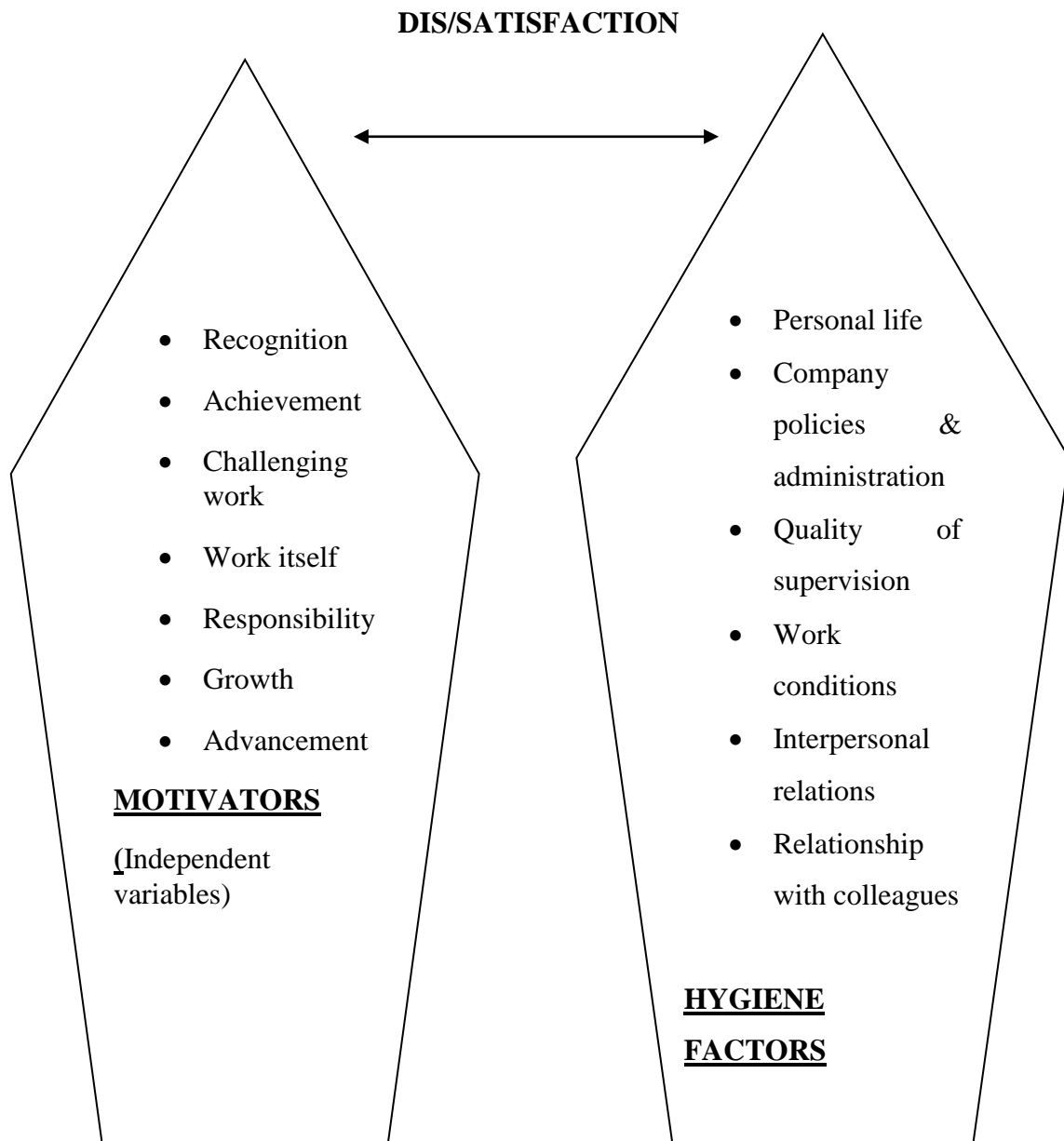
In this research the level of employee motivation was be assessed by six items using descriptive adjectives commonly used to assess work motivation (Cameron and Pierce, 1994). Example items include ‘My job is so interesting that it is a motivation in itself’ and ‘the tasks that I do at work are enjoyable. This was done in order to gauge the effect of motivation level on employee commitment.

## **2.6 Theoretical Framework**

The study was guided by Herzberg’s theory of Motivator-Hygiene (1965). The theory was developed by Friedrich Herzberg. This is an alternative to Maslow’s hierarchy of needs. The theories overlap but the nature of each model differs.

In Maslow’s theory, it is implied that the addition or removal of the same stimuli will enhance or distract employee satisfaction, Herzberg’s findings indicate that job satisfaction are separate from factors that lead to poor job satisfaction and employee commitment in an organization.

Herzberg’s system of needs is segmented into motivators and hygiene factors (rewards). The factors include expected conditions that, if missing, would create dissatisfaction. These include bathroom, lighting and appropriate tools for a particular job. Employee satisfaction and dissatisfaction were used to measure employee commitment in this study. This is summarized in the Figure 1.



**Figure 2: Two Factor Theory (Adapted from the Herzberg's system of needs)**

According to the two-factor theory, people are influenced by two factors. Hygiene factors which are needed to ensure that employees do not become dissatisfied. They do not lead to higher levels of motivation but without them there is dissatisfaction. Motivational factors are needed to

motivate employees for higher performance. They result from internal generators in the employee. The research therefore operated on the assumption that the major cause of employee lack of commitment in hotels is dissatisfaction. Thus, both motivator and hygiene factors must be provided to avoid dissatisfaction.

Employee satisfaction or dissatisfaction here is the dependent variable. Motivators and hygiene factors are independent variables and for the purpose of this research (reward strategies). We can use employee satisfaction or dissatisfaction as a measure of commitment. From the above discussion, it is evident that both motivational and hygiene factors are important when describing reward strategies that influence employee commitment. Superior performance can only be realized if the above factors are synchronized.

The motivators and hygiene factors do not operate separately from one another in a person. Hygiene factors prevent dissatisfaction but they do not necessarily lead to satisfaction. They are necessary only to avoid bad feelings at work. On the other hand, motivators are the real factors that prevent dissatisfaction but they do not lead to satisfaction. Where there is lack of hygiene factors, there is bound to be dissatisfaction. Dissatisfaction will lead to disengagement of an employee which may, in turn, lead to lack of commitment in a hotel. Lack of motivational factors may also lead to dissatisfaction and result in low commitment.

Similarly, both intrinsic and extrinsic rewards operate together in influencing employee commitment. This theory, however, has some limitations. For example, the two-factor theory was tested by many other researchers, who found very different results. Some research has revealed that some of the factors declared by Herzberg (1965) as hygiene factors are actually motivators. The results of Herzberg's theory can also vary if the test is conducted in different

industries. The differences are due to the intensity of the requirement and the duration of employment (Nave, 1968). Extensive commentary has emerged about how to distinguish between hygiene factors and motivators. While some factors have proved to fall clearly in one of the two categories, other factors, particularly salary, have proved to be ambiguous as to whether they are motivators or a hygiene factors.

For the purpose of this study, the researcher defined motivators as responses about good feelings that are generally related to job content, whereas hygiene factors are responses about bad feelings that are associated with job context to avoid this ambiguity. Again, Motivators involved factors built into the job itself, such as achievement, recognition, responsibility and advancement. Hygiene were considered extrinsic to the job, such as interpersonal relationships, salary, supervision and company policy (Herzberg, 1968).

## **2.7 Gaps in Knowledge**

Despite the fact that the hotel industry is one of the pillars of economic development in Kenya, it has been blamed for having employees with low morale and a high rate of employee turnover. An understanding of how to keep employees committed to their work and the organization should be given utmost importance.

The literature reviewed reveals theoretical and methodological shortcomings. It is not quite clear what set of rewards can work towards enhancing employee commitment. The commitment measures in the past studies would be difficult to generalize to the present study.

A considerable number of researchers have examined the linkage between reward practices and firm performance, effectiveness and other variables. However, little has been documented about reward practices and commitment. This also calls for attention.

Most studies on reward management have focused on manufacturing industries. It is not clear whether the kind of rewards practiced in these organizations can apply to the hotel industry. This is due to the dynamic nature of the hospitality industry. The hotel industry in Kenya requires committed employees.

Moreover, many organizations in the developing world tend to copy and implement rewards developed in western countries which may not work due to the different working environments. It is, therefore, important to find out which rewards different hotels in Kenya can use to enhance employee commitment.



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter discusses the research design, target population, and sampling procedures. It also explains the methods that were used in data collection, instruments of data collection, the type of data and how it was analysed. The data was obtained from both primary and secondary sources. This included soliciting responses from the respondents using questionnaires and library research respectively.

### **3.2 Research Design**

The study employed a cross-sectional research design. Cross-sectional surveys are useful in assessing practices, attitudes, knowledge and beliefs of a population. Either the entire population or a subset thereof is selected, and from these individuals, data is collected to help answer the research questions of interest (Kothari, 2004). The design was chosen due to its suitability in addressing the research questions of the current study.

### **3.3 Area of Study**

The study was conducted in star rated hotels in the Western Tourism Circuit in Kenya. This location was chosen because it has a variety of hotels which are classified in the Kenya Hotels and Restaurant Act Cap 494. Moreover, these hotels vary in terms of ownership, facilities and patronage. Therefore it was found to be a good representation of hotels under the study. The Western Tourism Circuit covers ten counties namely; Bungoma, Busia, Homa Bay, Kakamega, Kisii, Kisumu, Migori, Nyamira, Siaya and Vihiga, (TRA, 2015)

### 3.4 Target Population and Sampling Technique

According to Tourism Regulatory Authority of Kenya, there are thirteen (13) star-rated hotels within the Western Tourist Circuit (Kenya Gazette, 2015). The star-rated hotels were considered appropriate because they have clear and consistent organizational structures. The study population included hotel managers and employees from each section in the selected hotel.

The hotel managers were targeted because they are directly involved in decision making and have a direct impact on the reward strategies put in place. They were therefore in a better position to provide the necessary information for the research. The employees were considered in order to give opinion of operational staff. Preliminary information through inquiry of the human resource managers indicated that the star rated hotels had a population of seven hundred and sixty employees (760).

### 3.5 Sample size and Sampling technique

Multi-stage sampling was done to select the hotels that were used for the study. First, using the sampling model proposed by Yamane (1967) at 95% confidence level and a 5% margin of error, a population of seven hundred and sixty (760) gave a sample size of two hundred and sixty two (262). The Yamane sampling formula is as shown below:

$$n = \frac{N}{1 + N(e^2)}$$
 ; Where n is the sample size; N is the study population; and e is the precision error.

$$n = \frac{760}{1 + 760(0.05^2)}$$

$$n = 262$$

Therefore, the sample size was 262 respondents.

Secondly, proportionate sampling was then done to determine the number of managers and subordinate employees from the all the star - rated hotels as shown below:

Number of Hotels x Number of sections = Sample of Managers

$$13 \times 6 = 78$$

Total Sample – Sample of managers = Sample of subordinate employees

$$262 - 78 = 184$$

Thirdly, purposive sampling was done for managers in the selected hotels. Finally, simple random sampling was applied to select fourteen subordinate staff from each hotel and three within each section. Simple random sampling ensured adequate representation of the target population. It also gave each individual an equal chance of being selected.

### **3.6 Data Collection Instruments and Procedures**

The study collected data using questionnaires. Mugenda and Mugenda (2008), stated that questionnaires give a detailed answer to complex problems. Additionally, questionnaires are a popular method of data collection because of the relative ease and cost-effectiveness with which they are constructed and administered. They give a relatively objective data and therefore, are most effective. Moreover, questionnaires allowed the researcher to reach the respondents conveniently (Kothari, 2004).

A semi-structured questionnaire containing both open-ended and closed-ended questions was used whereby free response to questions was permitted and the respondents answered in their own words. This stimulated a person to think about his or her feeling or motivate one to express what he or she considered important (Mugenda & Mugenda, 2008). A five point Likert scale was used to get response from respondents. The research assistants were trained on how to administer

the questionnaires. During the actual data collection period, the researcher and her assistants administered the questionnaires to the respondents. Respondents were given an introductory letter and assured of utmost confidentiality of information they gave. The researcher also tried to effectively convince respondents on the significance of the research.

### 3.7 Measurement

#### 3.7.1 Types of Rewards

The first section of the questionnaire focused on the identification of the types of rewards put in place by the sampled hotels. The rewards were subdivided into intrinsic and extrinsic rewards. The intrinsic and extrinsic rewards were adapted from the studies by Armstrong and Stephens, (2005) and Abdullah (2013). Ten examples of both intrinsic and extrinsic rewards were listed and the respondents were asked to indicate the level of reward incorporation using a five point Likert scale with the questionnaire items, with response ranging from 5 for in full and 1 for not at all.

(Sample item)

Promotion and advancement opportunities	1. Not at all	2.	3.	4.	5. In full
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#### 3.7.2 Employee Commitment Levels

The second section of the questionnaire assessed the level of employee commitment. The researcher adapted a 15-item scale known as the Organization Commitment Questionnaire which was developed by Mowday, Porter and Steers, (1982) and subsequently used by Arfan and Sharjeel, (2015). The respondents were asked to rate their levels of agreement with each statement on a 5-point Likert scale ranging from 5 for (strongly agree) to 1 for (strongly disagree).

(Sample item)

I put in a great deal of effort beyond that normally expected	1.Strongly disagree	2.	3.	4.	5.Strongly agree
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### 3.7.3 Level of employee Motivation

The third section of the questionnaire dealt with level of employee motivation. The researcher assessed the level of employee motivation based on their feelings on the job. Assessing the level of employee motivation was important in order to be able to gauge the moderating role of motivation on the effect of rewards and employee commitment. This was done using six items that are descriptive adjectives commonly used to assess work motivation (Cameron and Pierce, 1994) A five point Likert scale ranging from 5 for strongly agree to 1 for strongly disagree were applied.

(Sample item)

My job is so interesting that it is a motivation in itself	1.strongly disagree	2.	3.	4.	5.strongly agree
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## 3.8 Validity and reliability of Research Instrument

### 3.8.1 Validity of Research Instrument

Quality control is about ensuring acceptable levels of validity and reliability of research findings (Oso & Onen, 2009). Validity is the degree to which results obtained from the analysis of the data actually represent phenomenon under study (Mugenda & Mugenda, 2003). The questionnaires were tested in order to check its content, construct and face validity. Content validity was done to ensure that contents of the instrument entailed an adequate sample of the domain that it is supposed to represent. Face validity dealt with the format of the instrument and includes aspects like clarity of printing, font size and type, adequacy of workspace, and

appropriateness of language among others. To achieve construct validity, the researcher ensured that the indicators and measurements were carefully developed based on relevant existing knowledge. For example the questionnaire included only relevant questions that measure known indicators of commitment. The Organizational Commitment Questionnaire (OCQ) developed by (Mowday et al., 1979) was used to determine the level of commitment.

30 respondents were selected and questionnaires administered to them as a pre-test. Proportionate sampling of the population for the pre-test gave 3 managers and 27 subordinate employees respectively. These respondents were excluded from the main data collection.

### **3.8.2 Reliability of the Research Instrument**

Reliability is the extent to which research results are consistent and replicable (Kothari, 2004). Reliability is the consistency of scores when the research instrument is administered from one set of items to another, and also from one point in time to another (Frankel & Wallen, 2006). The instruments were pre-tested for reliability using Cronbach's alpha ( $\alpha$ ) approach with a sample of 30 respondents randomly selected from the target population.

The number 30 was chosen for pre-test because it is the smallest number that yielded meaningful results in data analysis of a survey research (Kothari, 2004). The instrument was first administered in a standardized form. The pre-test was conducted in the most consistent manner across all participants. Second, all participants were made to understand the instructions and content of the instrument. Third, all research assistants who were involved in the administration of the research instrument were thoroughly trained before the actual exercise; and lastly, effort was made to ensure that data is recorded and compiled accurately.

According to George and Mallery (2003), Cronbach’s alpha coefficients generated provides the following: “>.9- Excellent, >.8- Good, >.7 Acceptable, >.6- Questionable, >.5 Poor and <.5- Unacceptable”. Table 1 shows that the Cronbach's Alpha for the reliability test was .76. Since the reliability index of .76 was more than .70, the study instrument was considered to be reliable.

**Table 1: Summary of reliability statistics for the questionnaire.**

Questionnaire items	Reliability Statistics	
	Cronbach's Alpha	N of Items
Extrinsic rewards importance	0.7	5
Intrinsic rewards Importance	0.7	5
Extrinsic rewards incorporation	0.9	5
Intrinsic rewards incorporation	0.9	5
Employee Motivation	0.8	6
Employee commitment initial	0.6	15
Employee commitment Final	0.7	14
<b>Overall score</b>	<b>0.76</b>	

*Source: Pilot Data (2019)*

### 3.8.2.1 Linearity

The linearity test was achieved through the use of P-P plot. Figure 3 showed that there was normal distribution of the variables along the Best line of Fit.

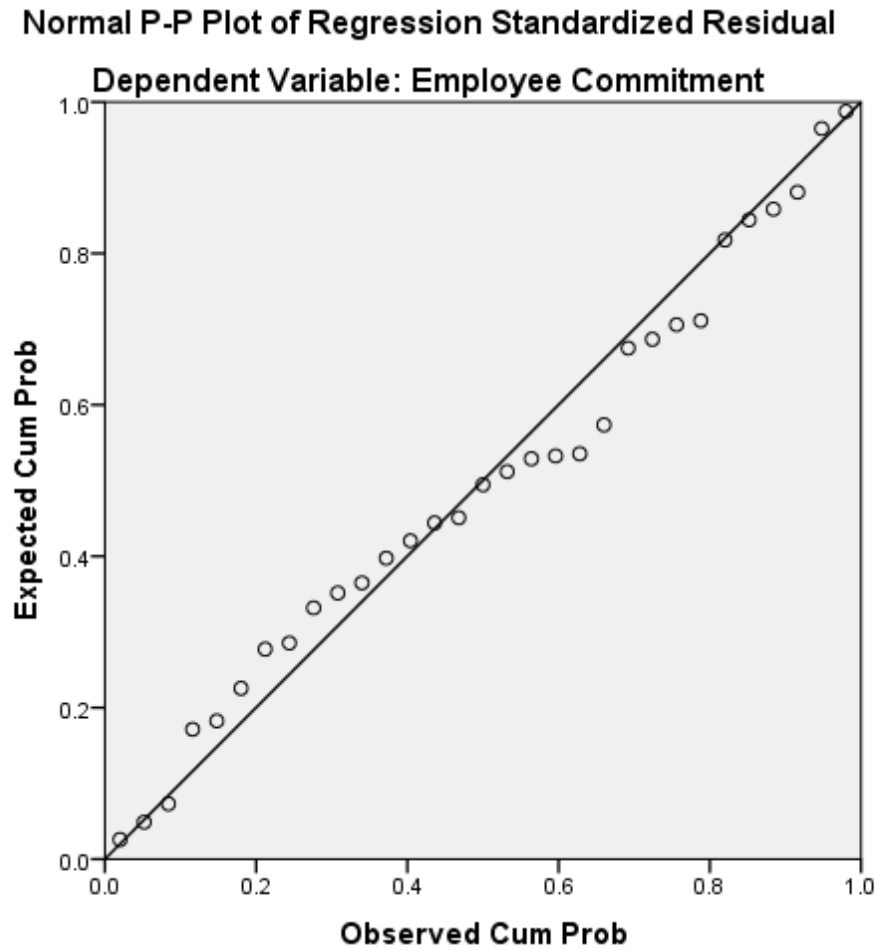
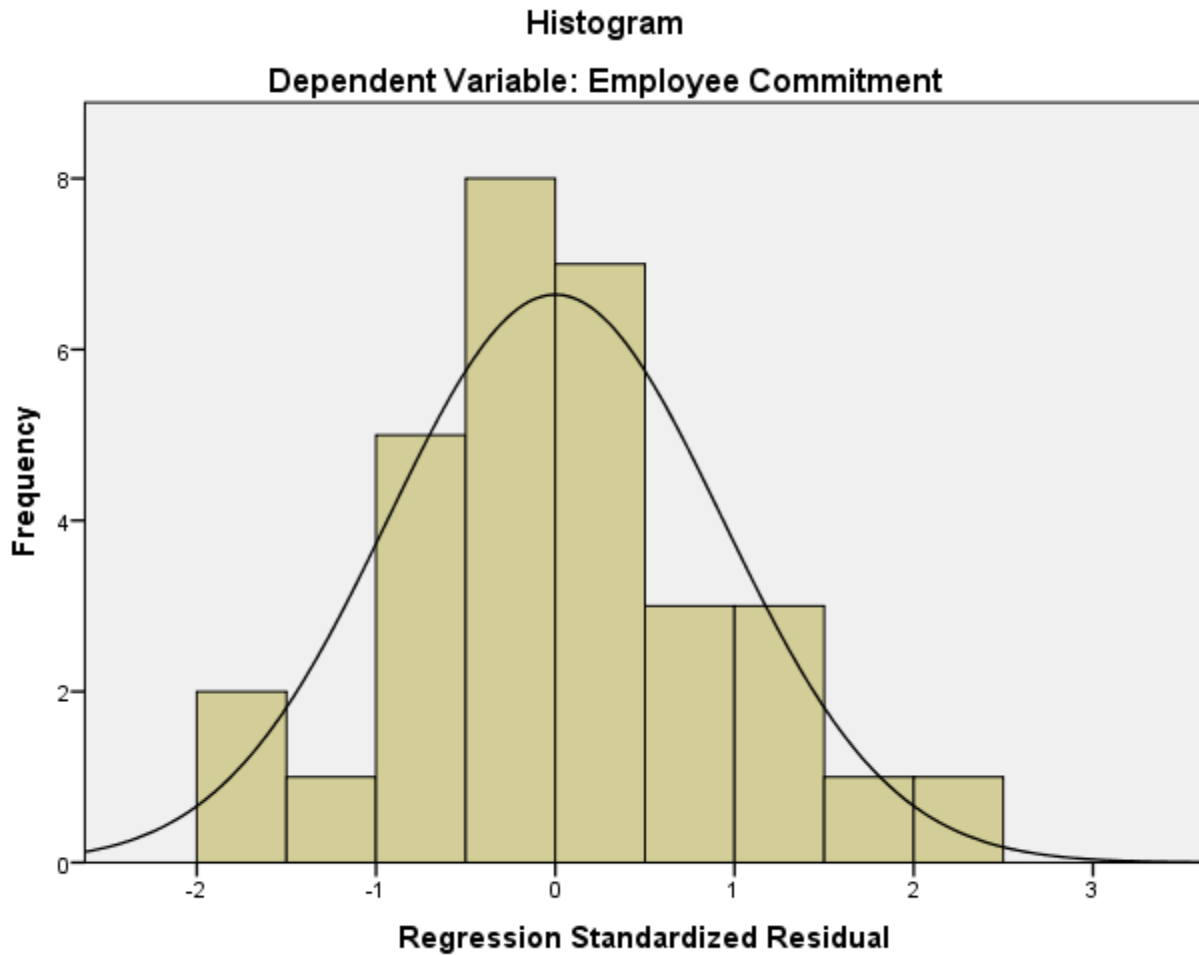


Figure 3: Normal P-P Plot.



### 3.8.2.2 Normality test

Histogram was used to test the normality of the data instruments. Figure 3 indicated that the variables were spread in normal manner balanced on the Best Line of Fit. The Figure 4 indicated the normal distribution of the predictor variable (Rewards) on the outcome variable (Employee Commitment).



**Figure 4: Normality test using Histogram.**

### **3.9 Methods of Data Analysis**

Data was put through the computer synthesis process using the SPSS version 22.0. According to Kothari (2004), descriptive analysis involves a process of transforming a mass of data into tables, charts, with frequency distributions and percentages.

Quantitative data from the closed ended questions was analysed using descriptive and inferential statistics. Descriptive statistics included means and standard deviations. Inferential statistics included Pearson's correlation and multiple linear regressions. Means and standard deviation was calculated to identify the rewards put in place and the level of employee commitment. Pearson's correlation analysis was used to determine the relationship between rewards and employee commitment. Multiple linear regression was used to analyse the moderating influence of employee motivation on the relationship between rewards and employee commitment. The data was then presented using charts, graphs and tables.

### **3.10 Ethical Considerations**

This study observed ethical standards of behaviour and practical procedures that protect human subjects. The researcher sought clearance from of Maseno University Ethical Review Committee. Permission to collect data in the study area was then sought from hotel managers of the selected hotels. The consent of the respondents to participate in the study was sought by reading to them the consent form. If they agreed to proceed with the study, they indicated by signing the consent form. Assurance of maintaining confidentiality and anonymity was given (Saunder, Lewis & Thornhills, 2009). This was done by making the identity part on the questionnaires optional. The raw data was then kept in a locked cabinet for security. Copyright of the author of materials used was applied to protect the researcher by making correct references

to avoid plagiarism. The results of the research were confidential and not used to harm the respondents in any way.

## CHAPTER FOUR: RESULTS

### 4.1 Introduction

This chapter focused on results. The researcher distributed 262 questionnaires to the target respondents. 200 out of 262 respondents filled and returned the research questionnaires. However some questionnaires were incomplete. The researcher therefore used 144 which accounted for a 55% response rate. Response rates in the 17%- 28% range are described in a variety of ways in articles published in IS journals as: “reasonable” (Jarvenpaa and Staples, 2001; Ravichandran and Rai, 2000). This citation was used by Sivo et al, (2006). The rest (45%) of the questionnaires were excluded from analysis. This response rate was acceptable for this study.

#### 4.1.1 Reliability Statistics for the Questionnaire

##### Table 2: Reliability Statistics

Table one reveals the alpha values. For commitment measures one item (*Deciding to work for this organization was a definite mistake on my part*) was removed to improve the reliability. The initial reliability for commitment was 0.6 but on removal of one item it was improved to 0.7. See table 1. Since alpha values was 0.7 the instrument was considered reliable for the study.

**Table 1: Summary of reliability statistics for the questionnaire.**

Questionnaire items	Reliability Statistics	
	Cronbach's Alpha	N of Items
Extrinsic rewards importance	0.7	5
Intrinsic rewards Importance	0.7	5
Extrinsic rewards incorporation	0.9	5
Intrinsic rewards incorporation	0.9	5
Employee Motivation	0.8	6
Employee commitment initial	0.6	15
Employee commitment Final	0.7	14
<b>Overall score</b>	<b>0.76</b>	

#### **4.2 Socio-demographic characteristics of respondents**

The study gathered socio demographic characteristics of the respondents. The general information collected included designation, gender, age, highest level of education, department to which one is attached, level of experience and number of hotels in which the respondent had worked. The findings in Table 2 revealed that there were more female employees (68.1%) as compared to the male employees (31.9%) in the hotels. In addition, Table 2 indicated that more than three quarters of the respondents (94%) were aged below 40 years. This indicated that majority of the respondents were young. The respondents explained that the hospitality industry is very dynamic and too demanding. It therefore required youthful and energetic employees. Further, the finding of the study revealed that majority of the respondents (70%) had Bachelor's degrees, Diplomas and Certificates. Very few (30%) had secondary certificates (KCSE). This was an indication that they had formal training with relevant skills and were therefore capable of working in the hotels. The results further indicated that more than two thirds (83%) had worked

in the hotels for 5 years and below. Their change of jobs was attributed to harsh environment, poor pay, lack of career advancement opportunities, closed hotels, end of contracts among other factors. Further, the study asked the respondents to state why they accepted the current employment. Most of them said it was because of better pay terms and favourable work environment.

**Table 2: Socio-demographic information of the respondents**

		<b>N</b>	<b>N%</b>
<b>Designation</b>	Finance and control	20	10
	Food and Beverage	47	35
	Housekeeping	15	15
	Front office and Marketing	12	15
	Human Resource	10	5
	Managers	27	13.5
	Support staff (maintenance, concierge)	13	6.5
	<b>Total</b>	<b>144</b>	<b>100.0</b>
<b>Gender</b>	Male	46	31.9
	Female	98	68.1
	<b>Total</b>	<b>144</b>	<b>100.0</b>
<b>Age</b>	21-25	18	14.0
	26-30	55	32.5
	31-35	32	22.5
	36-40	22	21.0
	>40	17	10.0
	<b>Total</b>	<b>144</b>	<b>100.0</b>
<b>Highest level of education</b>	Secondary	12	8.5
	Certificate	23	15.5
	Diploma	68	49.0
	Bachelor's degree	29	21.0
	post graduate degree	12	6.0
	<b>Total</b>	<b>144</b>	<b>100.0</b>
<b>Department attached</b>	Food and Beverage	47	43.5
	Housekeeping & Laundry	15	19.0
	Human resource	10	1.5
	Front office	59	21.0
	Support departments	13	15.0
	<b>Total</b>	<b>144</b>	<b>100.0</b>
<b>Years worked in the hotel</b>	<1 year	69	45
	1-5 years	57	38
	6-10 years	11	7
	10-15 years	3	2
	>15 years	12	8
	<b>Total</b>	<b>144</b>	<b>100.0</b>
<b>Number of hotels worked</b>	0-1	65	45
	2-5	73	51
	Over 5	6	4
	<b>Total</b>	<b>144</b>	<b>100.0</b>

### 4.3 Hotel incorporation of rewards in their human resource practices

The respondents were asked to rate the extent of incorporation of rewards by their hotels on a five point scale. The means and standard deviations were calculated and ranked in Table 3 and 4 below. The mean scores of reward incorporation for intrinsic rewards ranged between ( $M=2.50-3.08$ ) and for extrinsic rewards ranged between and ( $M=3.72-4.13$ ). This indicated that the participants ranked both intrinsic and extrinsic rewards as having been incorporated to some level. It was noted that for the intrinsic rewards, flexible working environment scored the highest mean and lowest standard deviation ( $M=3.08$ ,  $SD=1.25$ ). Achievement and recognition was ranked the lowest ( $M=2.50$ ,  $SD=1.25$ ). For the extrinsic rewards, promotion and advancement opportunities was ranked the highest ( $M=4.13$ ,  $SD=0.78$ ) while performance based pay was the least incorporated reward ( $M=3.72$ ,  $SD=1.13$ ).

**Table 3: Intrinsic rewards incorporation**

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Good leadership & recognition	144	1	5	2.64	1.35
Achievements/accomplishment	144	1	5	2.50	1.25
Job design/clear roles at work	144	1	5	2.65	1.29
Flexible working environment	144	1	5	3.08	1.25
Training & development	144	1	5	2.72	1.30

**Table 4: Extrinsic rewards Incorporation**

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Promotion & Advancement	144	2	5	4.13	0.78
Grade & pay structure	144	2	5	4.11	0.83
Employee benefits	144	2	5	4.06	0.90
Pension schemes	144	2	5	3.88	1.00
Performance based pay	144	1	5	3.72	1.13

#### 4.4 The level of importance of rewards to an employee in a hotel

The respondents were asked to rate the perceived level of importance of the listed rewards to an employee in a hotel on a five point scale. The means and standard deviations were calculated and ranked in Table 5 and 6 below. The mean score of perceived importance of extrinsic rewards ranged between ( $M=2.71$  and  $M=2.22$ ) while for intrinsic reward from ( $M =3.08$  and  $M=2.50$ ). It was denoted that both intrinsic and extrinsic rewards exhibited slight importance with the exception of flexible working environment ( $M=3.08$ ,  $SD=1.25$ ) being deemed moderately important. The study results are shown in Table 5 and 6 below:

**Table 5: Importance of Extrinsic Rewards to employees**

<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Promotion & advancement	144	1	5	2.22	1.11
Grade & pay structure	144	1	5	2.51	1.31
Employee benefits	144	1	5	2.71	1.39
Pension schemes	144	1	5	2.39	1.44
Performance based pay	144	1	5	2.39	1.31



**Table 6: Importance of intrinsic Rewards to employees**

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<b>Descriptive Statistics</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Good leadership & recognition	144	1	5	2.64	1.35
Achievements/accomplishment	144	1	5	2.50	1.25
Job design/clear roles at work	144	1	5	2.65	1.29
Flexible working environment	144	1	5	3.08	1.25
Training & development	144	1	5	2.72	1.30

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#### **4.5 The level of employee commitment in the hotels**

In addition, the study sought information from the respondents on their level of commitment in the hotel industry. The means and standard deviations were calculated and ranked in Table 7 below on a five point scale. The mean scores of the level of employee commitment ranged from 2.17-4.07, which denoted variation in the levels of employee commitment from “disagree” to “agree”. Effort put at work was ranked highest ( $M=4.01$ ,  $SD=0.94$ ) and benefit for sticking with hotel indefinitely the least with ( $M=2.17$ ,  $SD=1.13$ ).

**Table 7: Level of Employee Commitment in Hotels**

<b>Descriptive Statistics</b>					
	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Effort put at work	144	1	5	4.01	0.94
Agreement with hotel's policies relating to its employees	144	1	5	2.61	1.18
Benefit for sticking with the hotel indefinitely	144	1	5	2.17	1.13
Joy in working for the hotel	144	1	5	3.74	0.99
Inspiration by way of job performance	144	1	5	3.69	1.07
Willingness to work for a different hotel as long as the type of work was similar	144	1	5	3.10	1.28
Pride in working for the hotel	144	1	5	4.07	0.99
Similarity between personal and hotel values	144	1	5	3.43	1.10
Acceptance of job assignments	144	1	5	3.29	1.23
Praise for the hotel	144	1	5	3.78	1.14
Loyalty to the hotel	144	1	5	2.65	1.26
Care for the fate of the hotel	144	1	5	3.67	1.15
Comparison of the hotel with others	144	1	5	3.25	1.22

#### 4.6 The level of employee motivation in the hotels

The respondents were asked questions to rate the level of employee motivation on a five point scale. The means and standard deviations were calculated and ranked in Table 8 below. The mean scores for employee motivation ranged between 3.88 and 4.33 which denoted that most participants agreed that they were motivated. Most respondents denoted that their “job was meaningful to them” ( $M= 4.33, SD=0.58$ ).

**Table 8: Level of employee motivation**

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
My job is like a hobby to me	144	1	5	3.90	1.05
My job is so interesting that it is a motivation in itself	144	1	5	4.04	0.87
The tasks that I do at work are so interesting	144	1	5	3.88	0.88
My job is meaningful	144	3	5	4.33	0.58
I feel lucky to be paid for a job I like this much	144	1	5	3.90	0.98
The tasks that I do at work themselves represent a driving power in my job	144	1	5	3.97	0.99

#### **4.7 Relationship between Rewards and Employee Commitment**

A Pearson's product moment correlation was computed to assess the relationship between both intrinsic ( $M=2.72$ ,  $SD=1.29$ ) and extrinsic rewards ( $M=3.98$ ,  $SD=0.93$ ) and employee commitment. A Pearson's  $r$  data analysis revealed a positive, moderate correlation between both intrinsic and extrinsic rewards and employee commitment, ( $r = .44$ ,  $p < 0.01$  and  $r = .46$ ,  $P < 0.01$ ) respectively.

**Table 9: Correlation between Rewards and Employee Commitment**

<b>Correlations</b>						
	Importance of Extrinsic Rewards	Importance of Intrinsic Rewards	Extrinsic Rewards Incorporation	Intrinsic Rewards Incorporation	Employee Motivation	Employee commitment final
Importance of Extrinsic Rewards	1					
Importance of Intrinsic Rewards	<b>.70**</b>	1				
Extrinsic Rewards Incorporation	-.01	.07	1			
Intrinsic Rewards Incorporation	-.11	.00	<b>.83**</b>	1		
Employee Motivation	.08	<b>.20*</b>	<b>.24**</b>	<b>.35**</b>	1	
Employee commitment final	-.06	.02	<b>.44**</b>	<b>.46**</b>	<b>.65**</b>	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

#### **4.8 Moderating role of Employee motivation on the relationship between Rewards and Employee Commitment**

Multiple linear regression was calculated to predict the moderating role of Employee motivation on the relationship between Rewards and Employee Commitment. The overall regression model was significant  $F(3,140) = 22.90, P < .001$ . The  $R^2$  values indicated that all the variables had an effect in employee commitment, i.e. intrinsic and extrinsic rewards incorporation alone ( $R^2 = .23, 23\%$ ), Intrinsic and extrinsic rewards with the motivation as a moderator ( $R^2 = .51, 51\%$ ). The standardized beta values indicated varied levels of effects each variable contribute towards employee commitment.

$R^2 = .51$ , which indicated that about 51 per cent of the variation in employee commitment was attributed to incorporation of intrinsic and extrinsic rewards with employee motivation as a moderator.

**Table 3: Model summary of Rewards, Motivation and Employee Commitment**

<b>Model Summary</b>									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.48 <sup>a</sup>	.23	.22	.94	.23	20.56	2	141	.00
2	.72 <sup>b</sup>	.51	.50	.75	.29	83.06	1	140	.00

a. Predictors: (Constant), Intrinsic Rewards Incorporation, Extrinsic Rewards Incorporation

b. Predictors: (Constant), Intrinsic Rewards Incorporation, Extrinsic Rewards Incorporation, Employee Motivation

**Table 11: Anova table of Rewards, Motivation and Employee Commitment**

<b>ANOVA</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.078	3	15.693	22.904	.000 <sup>a</sup>
	Residual	95.922	140	.685		
	Total	143.000	143			

**Table 12: Coefficients table of Rewards, Motivation and Employee Commitment**

		Coefficients <sup>a</sup>		Beta	t	Sig.
		Unstandardized Coefficients	Standardized Coefficients			
Model		B	Std. Error			
1	(Constant)	-1.486E-16	.078		.000	1.000
	Extrinsic Rewards Incorporation	.186	.134	.186	1.391	.167
	Intrinsic Rewards Incorporation	.310	.134	.309	2.308	.022
2	(Constant)	1.235E-17	.062		.000	1.000
	Extrinsic Rewards Incorporation	.275	.107	.275	2.576	.011
	Intrinsic Rewards Incorporation	.035	.111	.034	.311	.756
	Employee Motivation	.553	.061	.575	9.114	.000

a. Dependent Variable: Employee commitment final



Further, a multiple linear regression was calculated to predict effect of rewards on employees based on their levels of motivation. The motivation levels were categorised into high and low. A significant regression equation for employees with low motivation was found ( $F(3, 76) = 23.72$ ,  $P < .000$ ), with an  $R^2$  of .48. For employees with high motivation, the equation was not significant. The study result is as shown in Tables 12-14 below.

**Table 13: Table of Effect of Rewards on Employees with high and low Motivation**

Employee Motivation Category	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
							F	Change	df1	
Low Motivation	1	.695 <sup>a</sup>	.484	.463	.74642141	.484	23.724	3	76	.000
High Motivation	1	.063 <sup>c</sup>	.004	-.046	.87426029	.004	.081	3	60	.970

1. Predictors: (Constant), Employee Motivation , Extrinsic Rewards Incorporation, Intrinsic Rewards Incorporation

2. Predictors: (Constant), Employee Motivation , Intrinsic Rewards Incorporation, Extrinsic Rewards Incorporation

**Table 14: Anova table showing Low and High Motivation and Employee Commitment**

ANOVA							
Employee Motivation Category	Model		Sum of Squares	df	Mean Square	F	Sig.
Low Motivation	1	Regression	39.653	3	13.218	23.724	.000 <sup>a</sup>
		Residual	42.343	76	.557		
		Total	81.996	79			
High Motivation	2	Regression	.186	3	.062	.081	.970 <sup>c</sup>
		Residual	45.860	60	.764		
		Total	46.045	63			

1. Predictors: (Constant), Employee Motivation , Extrinsic Rewards Incorporation, Intrinsic Rewards Incorporation

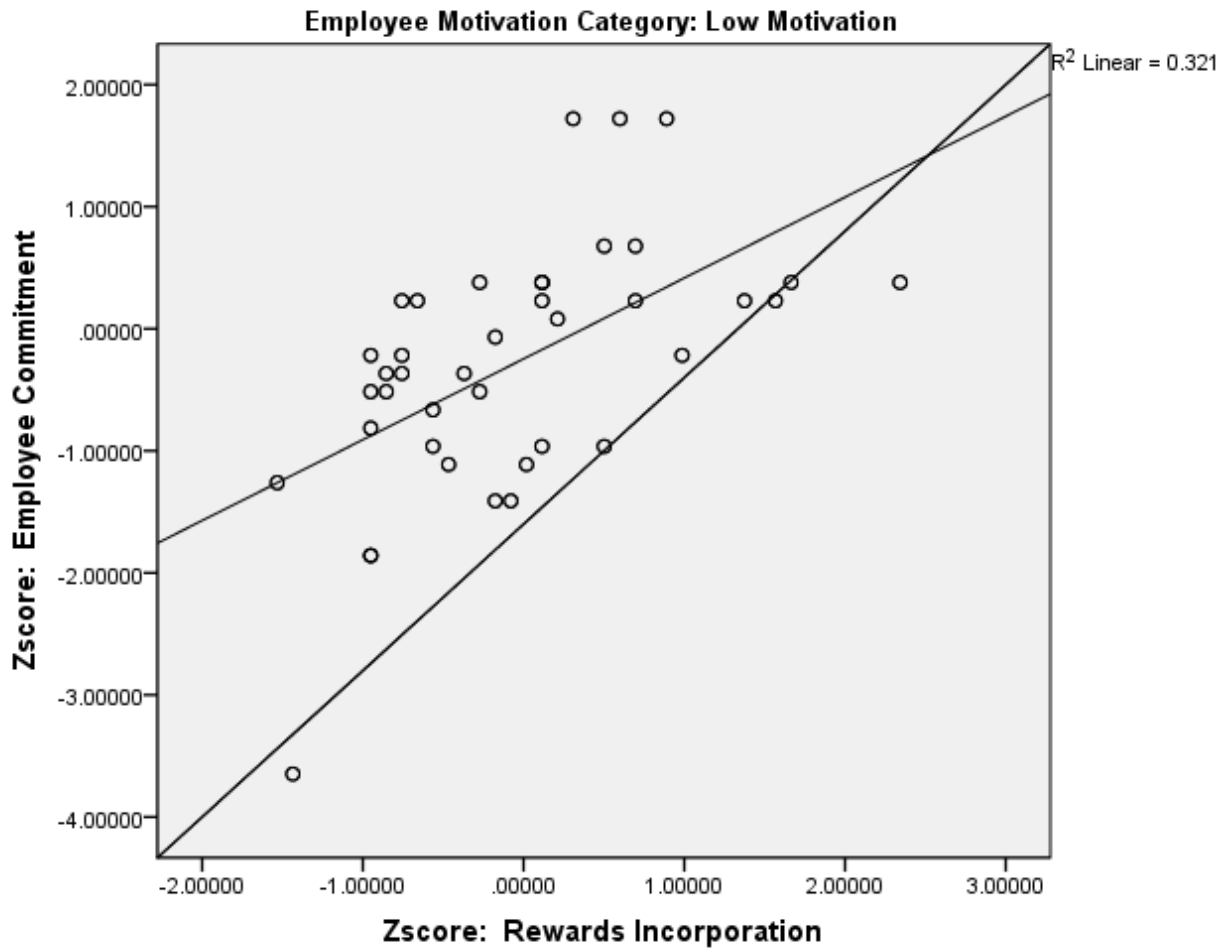
2. Predictors: (Constant), Employee Motivation , Intrinsic Rewards Incorporation, Extrinsic Rewards Incorporation

3. Dependent Variable: Zscore: Employee Commitment

**Table 15: Coefficients table of Rewards, Motivation and Employee Commitment**

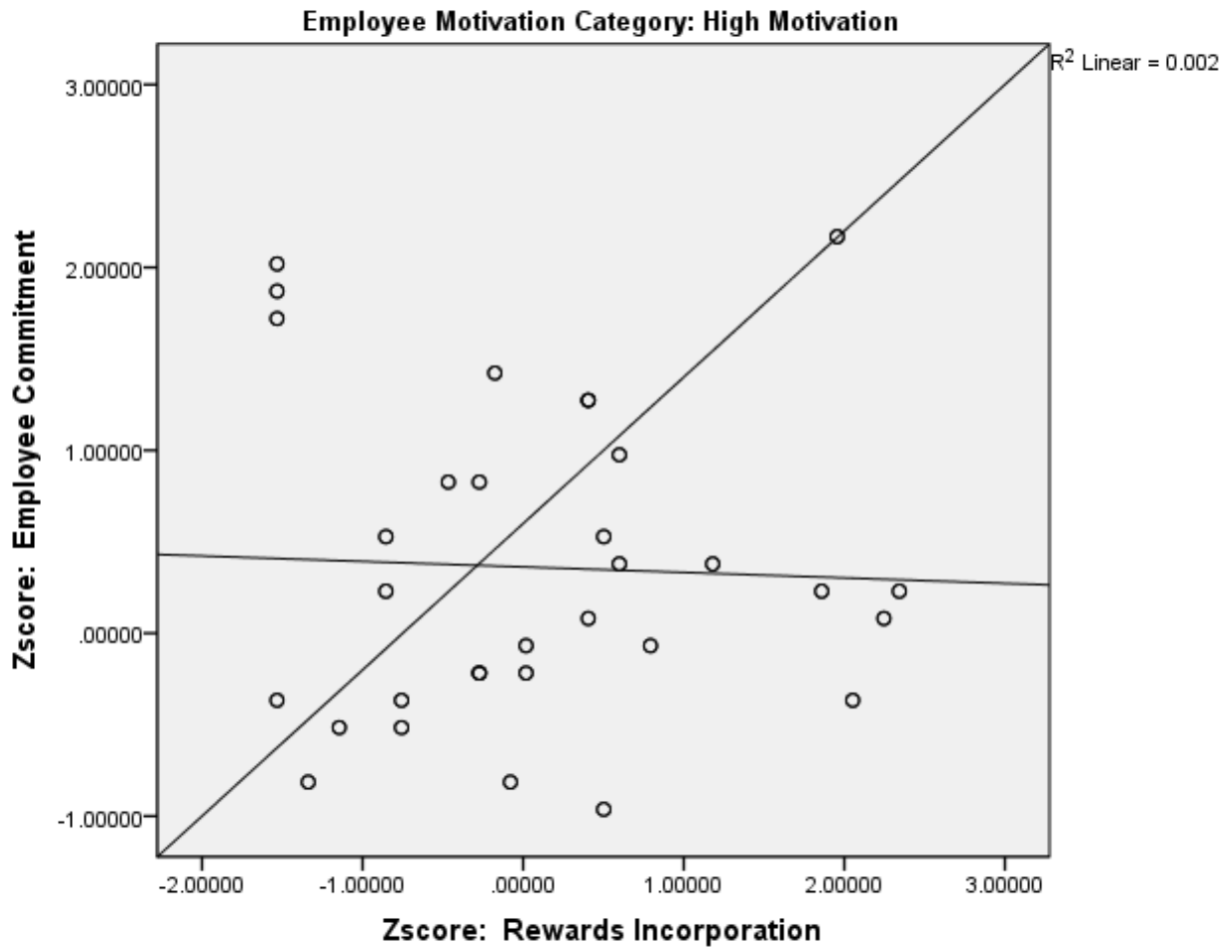
		Coefficients					
		Unstandardized	Standardized				
		Coefficients	Coefficients				
Employee			Std.				
Motivation			Error	Beta	t	Sig.	
Category	Model	B					
Low Motivation	1	(Constant)	-.097	.091	-	.293	
					1.060		
		Extrinsic Rewards Incorporation	.403	.151	.366	2.677	.009
		Intrinsic Rewards Incorporation	.010	.154	.010	.067	.946
High Motivation	2	(Constant)	.398	.077	.468	5.161	.000
		Employee Motivation				2.543	.014
		Extrinsic Rewards Incorporation	.012	.188	.017	.065	.948
		Intrinsic Rewards Incorporation	-.031	.195	-.043	-.160	.873
		Employee Motivation	-.078	.200	-.052	-.393	.696

A scatterplot of rewards and employee commitment for both low and highly motivated employees was created in Figure 2 and Figure 3 respectively. The findings indicated that motivation explains more of the variability in employee commitment than rewards. For employees with low motivation, the effect size  $r^2=0.32$  in Figure 3 indicated that the level of motivation that the employee experienced when given rewards accounted for a large portion (32%) of the variability in employee commitment.



**Figure 3: Effect of Reward on employees with Low Motivation**

For employees with high motivation, the effect size for rewards  $R^2$  Linear = 0.002 in Figure 4 indicated that the level of motivation which the employee experienced when given rewards, accounted for a small portion (0.2%) of the variability in employee commitment. This is illustrated in Figure 3 below.



**Figure 4: Effect of Reward on employees with High Motivation**

## **CHAPTER FIVE: DISCUSSION OF FINDINGS**

### **5.1 Introduction**

The chapter provides the discussion of findings of the study, conclusion and recommendations.

### **5.2 Discussion of findings**

The following findings were deduced from the study. The study specifically aimed at identifying rewards put in place by hotels, assessing the level of employee commitment, determining the relationship between rewards and employee commitment and investigating the role of employee motivation on the relationship between rewards and employee commitment in the star rated hotels in the Western Tourism Circuit, Kenya.

#### **5.2.1 Hotel incorporation of Rewards in their human resource practices**

The data provided by the respondents regarding the incorporation of rewards by the star rated hotels indicated that reward management was practised. It was evident that both intrinsic and extrinsic rewards were provided in the hotels. This, however, varied from one hotel to another. The study revealed that in most hotels, extrinsic rewards were mostly practised. Examples included promotion & advancement opportunities, grade and pay structures and employee benefits being the ones mostly implemented. Pension schemes and performance based pay was not commonly practised. When asked why pension schemes were not common, the managers responded by saying that most employees were employed on contract due to the seasonality and dynamic nature of the hospitality industry. For the intrinsic rewards, most respondents agreed that the hotels offered a flexible working environment, training and development and good leadership skills.

## **5.2.2. The level of importance of Rewards to an employee in a hotel**

### **5.2.2.1 Intrinsic rewards**

When asked to rate the level of importance of the rewards given by the hotels, the respondents consistently mentioned intrinsic rewards as being more important than extrinsic rewards to them. Intrinsic rewards can be termed as 'psychological rewards and examples are opportunity to use one's ability, a sense of challenges and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. Other examples include chances of future growth, flexible working environment, and participation in decision-making, Abiola and Ajila's (2004). This study finding is concurrent with (Harpaz, 1990) which stated that, for better performance of employees, intrinsic rewards are equally important as extrinsic rewards to keep them motivated.

According to previous studies e.g. (Costen & Salazar, 2011) it is indicated that when an employee senses they have good advancement opportunities they develop a stronger bond to the organization because they know the company is preparing them for a more successful life. This however was not well provided for as shown by the results. This was an indication that intrinsic rewards were equally important to employees contrary to earlier belief that extrinsic rewards were more valued. In order to enhance employee commitment it is important for hotels to incorporate both intrinsic and extrinsic rewards.

The results further indicated that in general, intrinsic rewards seem to be more important than extrinsic rewards to employees. This finding concurred with a study done by Walsh & Taylor, (2007) which concluded that while compensation and benefits are important, most respondents seemed to indicate that no amount of money or benefits would hold them in a dead-end job



(Walsh & Taylor, 2007). The opportunity to learn a new skill, or take on a new challenge for career development is one of the top reasons employees leave their job, (Harder, 2009). Employees that want to move up in their careers need opportunities to learn and develop the skills they will require in order to do so. This was mentioned by respondents who said that they valued training, development, promotion and advancement opportunities. It was, however, not easy to get a promotion or advancement opportunities and therefore they had to keep moving to different organizations. This can also be attributed to the narrow career path which the industry provides. A number of respondents also felt that their jobs were very demanding despite the fact that they received little or no appreciation. This could be the reason for change of jobs as seen in most of these hotels where employees rarely spent more than five years. This result implies that the employees in the various star rated hotels were not truly satisfied with the rewards that the hotel management extended to them. The employees were probably staying on their jobs due to lack of opportunities elsewhere. This, however, does not mean that intrinsic rewards should replace extrinsic rewards. Instead, an approach that incorporates the two types of rewards should be established.

#### **5.2.2.2 Extrinsic rewards**

Extrinsic rewards can either be monetary or non-monetary. The monetary is usually a variable compensation separated from the salary. It is received as a consequence of extra ordinary performance or as an encouragement and it can be either individual based or group based. The conditions for obtaining this reward should be set in advance and the performance needs to be measureable. For a reward system to be ideally motivational the reward should satisfy a number of criteria. First, it should have value. It should also be large enough to have some impact, be

understandable, timely and the effect should be durable. Finally it should be cost efficient (Merchant, 2007).

Employee benefits, as considered by Wright (2004) are categorised into four distinct groupings: Personal, security and health benefits: for example, pension sick pay, life cover, medical insurance and loans; Job-status or seniority related benefit including company car, holiday leave, sabbaticals; Family friendly benefits: for example, child care facilities, nursery vouchers, enhanced maternity /paternity/parental leave arrangements; Social or 'goodwill' or life style benefits: for example, subsidized canteen, gym/ sports facilities, discounts, and dry cleaning. He further suggests that benefits can be voluntary, affording employees the choice whether to 'opt in' and use them according to their personal needs and their financial positions. Should employees choose to purchase benefits such as child care vouchers, circle-to-work scheme loan, life cover or pension contributions, arrangements tend to be set for deductions to occur at the source. This can attract tax advantages for the employees.

Most respondents agreed that the hotels offered benefits such as discounts, paternity leaves and meals on duty. A few others indicated some form of contingency pay which they called service charge which would be shared among employees at the end of every month.

Despite promotion and advancement opportunity being ranked as most important, it was evident that most hotels did not offer this reward probably due to the narrow career path in the industry.

### **5.2.3 Rewards and Employee commitment**

The study finding revealed that the reward had a significant effect on employee commitment. The correlation analysis revealed a positive strong relationship between rewards and employee commitment. These results indicate that when hotels give employees rewards, their commitment levels varied. The variation in the commitment levels was dependent on the motivation of the employee. It can be deduced that employee commitment is closely interrelated with rewards given when motivation is enhanced. Lincoln and Kalleberg (1990) have argued that the rewards offered by an organization may have a powerful effect on employees' attitudes towards their job and the company for which they work. This result is consistent with this reasoning by Danish and Usman (2010) which reported that, effects of rewards to employee motivation are significant, which then influences to commitment and change process. Parish et al., (2008) added that, rewards however are not the only factors that contribute to employee commitment. Similarly, Hessie (2011) mentioned that arrangements of the reward system have a positive effect on employees' character and job satisfaction which is consistent with the results of this study. Moreover, these results confirm the results of Kaplan (2007). In the same vein they are consistent with results of research by Ziar Rahman et al.'s (2010). In their research they perceived that work reward has a positive and significant correlation with job satisfaction.

### **5.2.4. Role of Motivation on the relationship between Rewards and Employee commitment**

The study results further revealed that there was a significant contribution of rewards on employee commitment when employee motivation is included. Similarly, the moderating variable, together with the independent variable, had a significant effect on employee commitment. The study found that employee motivation was the highest predictor on employee commitment as compared to rewards and extrinsic rewards. Similarly, it showed that employee motivation was the most significant compared to rewards on employee commitment. Where

there is low motivation, commitment is also enhanced if rewards are introduced. This finding agrees with the findings of studies carried out by Eisenberger and Rhoades, (2001) which indicated that, to date, reward systems play a vital role in motivating employees so that they can perform creatively. The findings are consistent with results of Wordack and Reck (2002). In conclusion, they stated that there is a positive and significant relation between total reward and employee motivation and satisfaction. The study findings also confirm Kamo and Niaribo's (2008) results too. They found out that the reward system has a positive relation with creating motivation. Also Marco Fanharin et al. (2005) stated that perceiving characteristics of total compensation system (reward) has a direct and positive effect on internal motivation. These findings confirm the results obtained by Chad Harry and Begium (2012). In their study they perceived the offered reward bound with respect increases employee motivation in different corporations and his/her understanding about reward.

It is true therefore to say that various rewards have various effects on employee motivation. Motivation is a chain process that begins with need or shortage and deprivation. It leads to demand and causes tension and action towards a purpose. Behaviour of gaining the purpose is its result. Sequence of this process might lead to satisfaction of needs. Therefore, motivation encourages and stimulates the individual to perform a task or behaviour. While motivation reflects a general demand, punishment and encouragement are still regarded as very strong motivations in all motivation studies. In this regard, money is considered as a tool for granting reward but it is not the only motivational factor, (Seyyed Javadin 2008).

## **CHAPTER SIX: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **6.1 Introduction**

This chapter presents the summary, conclusions made from the findings of the study and recommendations for further research.

### **6.2 Summary of Findings**

The purpose of this study was to determine the effect of reward on employee commitment in star rated hotels in Western Tourism Circuit in Kenya. The specific objectives were; to identify rewards put in place; to assess the level of employee commitment; to determine the relationship between the rewards and employee commitment and finally to investigate the moderating influence of employee motivation on the relationship between rewards and employee commitment.

The study was guided by Herzberg's theory of Motivator-Hygiene. A cross-sectional survey design was employed. The population of 760 was drawn from managers and subordinate employees from the 13 target hotels. Multi-stage sampling was used to draw 262 respondents obtained using Yamane's sampling formula at 95% confidence level and 5% margin of error. Questionnaires with both open and closed ended questions were used to collect primary data. Quantitative data was analysed using descriptive statistics and inferential statistics.

The study found that both intrinsic and extrinsic rewards had a significant effect on employee commitment ( $r = 0.65$ ;  $p < .05$ ). The correlation analysis revealed a positive strong ( $r = 0.65$ ;  $p < .05$ ) relationship between rewards and employee commitment. Since the significant value is less than 0.05, therefore from these finding it was reasonable to conclude that there was a positive significant relationship between Rewards and Employee Commitment. In addition, the study

results revealed that the moderating variable, together with the independent variable, had a significant effect on employee commitment ( $p < .05$ ).

The study found that employee motivation was the highest predictor ( $\beta = 0.58$ ) of the employee commitment compared to intrinsic rewards ( $\beta = 0.31$ ) and extrinsic rewards ( $\beta = 0.06$ ). Similarly, it showed that employee motivation was the most significant ( $\text{sig.} = .00$ ) compared to intrinsic rewards ( $\text{sig.} = 0.59$ ) and extrinsic rewards ( $\text{sig.} = 0.00$ ) on employee commitment. The study also indicated that 23 per cent of the variation in employee commitment was attributed to incorporation of intrinsic and extrinsic rewards. An adjusted  $r^2 = 0.51$  indicated that employee motivation influenced employee commitment. Significant R Square Change of 0.01,  $P = 0.05$  indicated that employee motivation moderates the relationship between rewards and employee commitment.

The influence of employee motivation on commitment on employees with low motivation was significant  $r^2 = 0.00$  contrary to that of those employees with high motivation  $r^2 = 0.97$ . It was concluded that rewards had a significant influence on employee commitment for employees with low motivation. The study recommended that there was need to enhance employee motivation in order to improve employee commitment for employees with low motivation.

### **6.3 Conclusions**

The study had set out to achieve four objectives. The first was to determine whether hotels in the western tourism circuit give rewards to their employees. Based on the results, the study concluded that the hotels in the western circuit give rewards to their employees. The study also revealed that most hotels concentrated more on extrinsic rewards more than the intrinsic rewards such as grade and pay structures, promotion and advancement opportunities as well as employee

benefits. For the intrinsic rewards, the hotels had a flexible working environment as their main reward. As mentioned by many respondents, promotion and advancement opportunities were rated among the most important reward by the respondents. It was, however, not adequately practised. Proper reward management was somehow inadequate as many hotels did not offer rewards that were deemed important by their employees.

The second objective was to establish the level of importance of rewards to employees. The findings revealed that both intrinsic and extrinsic rewards were important to the employees in the hotels. It was however noted that respondents indicated that intrinsic rewards were more important than extrinsic rewards. It can be firmly concluded that both intrinsic and extrinsic rewards play a significant role in enhancing employee commitment.

The study also sought to establish the moderating role of motivation in employee commitment. The findings revealed that employee commitment was dependent on whether the reward enhanced motivation of the employee. Despite having rewards, majority of the respondents still felt little loyalty to the hotels in which they worked. It can be concluded that probably those specific rewards did not enhance their motivation. It was therefore concluded that employee motivation moderates the relationship between rewards and employee commitment in the star rated hotels in Western Tourism Circuit, Kenya.

#### **6.4 Recommendations**

Based on the findings of the study, the following key recommendations were made:

The management at the star rated hotels in Western Tourism Circuit, Kenya should adopt and practise both intrinsic and extrinsic rewards in their human resource practices in order to improve

employee commitment. This may include incorporation of more intrinsic rewards instead of concentrating more on extrinsic rewards like it traditionally used to.

There is need for the management to identify rewards that are more attractive to employees in their hotels. The hotels should incorporate existing rewards and where possible develop new reward management strategies.

The study recommended that there is need to enhance employee motivation strategies so that the employee commitment can be scaled up in the star rated hotels in the Western Tourism Circuit, Kenya.

#### **6.5 Suggestions for further study**

The study suggests that similar studies should be carried out in the public sector in a different region of Kenya in order to gather more information on reward incorporation and its effect on employee commitment.

A determination of the types of appropriate rewards that enhance employee motivation should be carried out. This will help guide in formulation of human resource management policies in the hotel industry.



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## APPENDICES

### Appendix I: Introduction Letter

Dear Sir/Madam,

My name is Mary Lorna Akoth from Maseno University. I am a postgraduate student in the department of Ecotourism Hospitality and institutional Management (ECOHIM). I am carrying out a research on “Effect of reward on employee commitment in star rated hotels in Western Tourism Circuit, Kenya.”

By completing this questionnaire you will have contributed necessary information to help me with the completion of my research and eventual success of my studies. This questionnaire is not coded and confidentiality is guaranteed. It will be used for research purposes only.

For any queries or further information please contact the researcher Lorna, at Maseno University, Department of ECOHIM, Private bag 40105, Maseno. Cell phone no: 0725 143 192 or by Email at [makeysh@yahoo.com](mailto:makeysh@yahoo.com).

Thank you for your sincere responses and co-operation.

Yours faithfully,



LORNA MARY AKOTH

Postgraduate Student, Department of ECOHIM.

Attached: Questionnaire.

**Appendix II: Consent Form**

Mary Lorna Akoth  
Postgraduate Student  
Department of Ecotourism, Hotel and Institution Management (ECOHIM)  
Maseno University  
Cell: 0725 143 192

**RESEARCH TITLE: EFFECTS OF REWARD ON EMPLOYEE COMMITMENT  
IN STAR RATED HOTELS IN THE WESTERN TOURISM CIRCUIT, KENYA.**

This study has been authorised by the Maseno University Graduate School. It will investigate the *“Effects of Reward on Employee Commitment in Star rated hotels in the Western Tourism Circuit, Kenya.”*

Your responses will be confidential and anonymous and the data collected will be used for academic purposes only.

Your participation in this research is voluntary and you are free to withdraw anytime if you do not feel like continuing without giving reasons and without any penalty.

Kindly append your signature below to signify consent

SIGNATURE.....

DATE.....

Thank you for your cooperation.

### Appendix III: Research Questionnaire

#### A. GENERAL INFORMATION

Tick the spaces that best represent your answer or respond with the appropriate information where necessary.

1. Designation.....
2. Gender  
(1) Male ( )      (2) Female ( )
3. Age  
    Below 20 ( )                  26 – 30 ( )                  36 -40 ( )  
    21-25 ( )                  31 – 35 ( )                  Above 40( )

#### 4. Highest Education Level

- Primary ( )      Secondary ( )      Certificate ( )      Diploma ( )  
Bachelor's Degree ( )      Post Graduate Degree ( )      none ( )

#### (2) EMPLOYMENT INFORMATION

#### 5. Which Department are you attached to?

- Restaurant & Bar ( )      Housekeeping & Laundry ( )      Human resource ( )  
Front office ( )      Kitchen ( )      others.....

#### 6. What was your level of experience when you joined the Hotel Industry?

- Less than 1 year ( )  
1-5 years ( )  
6 – 10 years ( )  
10 – 15 years ( )  
Above 15 years ( )

#### 7. How many hotels have you worked in before?



8. How long did you work in the previous Hotel?

- Less than 1 year ( )
- 1-5 years ( )
- 6 – 10 years ( )
- 10 – 15 years ( )
- Above 15 years ( )

10. What made you leave your former employer?

.....

11. What made you accept this current employment?

.....

**(3) REWARDS**

12. How would you rate the level of importance of the following rewards to an employee in a Hotel?

<b>Rewards</b>	<b>1.not important</b>	<b>2.slightly important</b>	<b>3.Important</b>	<b>4.very important</b>	<b>5.Extremely important</b>
Promotion & Advancement Opportunities					
Good leadership & Recognition					
Achievements/accomplishment					
Grade & pay structure					
Job design/Clear roles at work					
Employee benefits					
Flexible working environment					
Pension schemes					
Performance based pay					
Training & development					

13. What other rewards do you think are important for employees in a hotel?

.....  
 .....  
 .....

14. To what extent has this hotel incorporated the following rewards in their Human Resource practices?

<b>Rewards</b>	<b>1. Never</b>	<b>2. Rarely</b>	<b>3. Sometimes</b>	<b>4. Very often</b>	<b>5. Always</b>
Promotion & Advancement Opportunities					
Good leadership & Recognition					
Achievements/accomplishment					
Grade & pay structure					
Job design/Clear roles at work					
Employee benefits					
Flexible working environment					
Pension schemes					
Performance based pay					
Training & development					

15. Apart from the above mentioned rewards, are there any other rewards present in this hotel?

.....  
 .....  
 .....

**(4) EMPLOYEE COMMITMENT**

16. Please pick a box that most closely fits your opinion

<b>Statement</b>	<b>1.strongly disagree</b>	<b>2.disagree</b>	<b>3.neither agree nor disagree</b>	<b>4.Agree</b>	<b>5.strongly agree</b>
I put in a great deal of effort beyond that normally expected					
I often find it difficult to agree with this hotel's policies relating to its employees					
There's not much to be gained by sticking with this hotel indefinitely					
I am extremely glad I chose this hotel to work for over others I was considering at the time I joined.					
This hotel really inspires the best in me in the way of job performance.					
I could just as well be working for a different hotel as long as the type of work were similar					
I am proud to tell others that I am part of this organization.					
I find that my values and the organization's values are very similar					
I would accept almost any type of job assignment in order to keep working for this hotel.					
I talk up this organization to my friends as a great hotel to work for.					
I feel very little loyalty to this organization					

I really care about the fate of this organization.					
For me, this is the best of all organizations for which to work					
Deciding to work for this organization was a definite mistake on my part					

**(5) EMPLOYEE MOTIVATION**

17. Please pick a box that most closely fits your opinion

<b>Statement</b>	<b>1.strongly disagree</b>	<b>2.disagree</b>	<b>3.neither agree nor disagree</b>	<b>4.Agree</b>	<b>5.strongly agree</b>
My job is like a hobby to me					
My job is so interesting that it is a motivation in itself					
The tasks that I do at work are so interesting					
My job is meaningful					
I feel lucky to be paid for a job I like this much					
The tasks that I do at work are themselves representing a driving power in my job					

**END**

**Thank you for your time and participation in this Questionnaire**

**Appendix IV: Study Plan**

<b>ACTIVITY</b>	<b>DURATION</b>
Developing the Proposal	February 2018 – Oct 2018
Defending the proposal.	October 2018
Data collection	December 2018- March 2019
Analysis of Data	March 2019 – April 2019
Thesis writing.	May 2019 – August 2019
Thesis submission to School of Graduate Studies	October 2019
Oral examination and correction of thesis	February 2020
Graduation	December 2020

**Appendix V: Proposed Research Budget**

<b>ITEM</b>	<b>COST</b>
Stationary, envelopes and stamps for posting questionnaires	20,000
Photocopy, printing and binding	50,000
Airtime and internet costs	30,000
Research assistants	30,000
Accommodation and meals during data collection	50,000
Transportation during data collection	10,000
Research permit	5,000
Publication	20,000
<b>TOTAL</b>	<b>215,000</b>

**Appendix VI: List of Sampled Hotels**

<b>SN</b>	<b>HOTEL NAME</b>	<b>NO. OF STAFF</b>	<b>STAR RATINGS</b>
1	Kisumu Hotel	120	***
2	Dewchurch Drive Hotel	15	**
3	Imperial Hotel	86	***
4	Le savannah Country Lodge	32	**
5	St. Johns Manor Le Savannah	30	**
6	Sunset Hotel	60	**
7	Hotel Nyakoe	60	***
8	Sovereign Hotel	78	***
9	Vic Hotel	105	***
10	Golf Hotel	72	**
11	Dan's Hotel	51	**
12	Impala Eco-lodge	21	***
13	Rondo Retreat	30	**
	<b>TOTAL</b>	<b>760</b>	

**Source: Hotel human resource managers (2019)**

**Appendix VII: Number of star rated Hotels in Western Tourism Circuit**

COUNTY	STAR RATING	NO. OF HOTELS
KISUMU	* * *	5
	* *	4
KAKAMEGA	* *	2
KISII	* * *	1
	* *	1
<b>TOTAL</b>		<b>13</b>