# Effect of Motivation on Employees' Performance in the Four Star Rated Hotels in Coastal Kenya

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# Abstract

Securing qualified and competent employees into an organization is the dream of every entrepreneur. None-the less there is more that requires to be done in order for the qualified personnel to perform at optimality and consequently drive the organization towards the desired levels of performance. This current study undertook an investigation in order to determine the effect of motivation on employees' performance in the four star rated hotels in coastal Kenya. The study embraced the descriptive research design. The study population comprised of 78 employees sourced from across the 13 four star rated hotels along the coast of Kenya. The simple random sampling technique used in this study resulted into having a sample size of 66 units. Primary quantitative data was employed in this study. The simple linear regression model enshrined in the statistical package for social sciences was used in data analysis. The study found a strong positive relationship of 0.573 between motivation and employees' performance. Additionally, the results of the regression analysis indicated that motivation explained more than 32.8% of the variability in employee performance. The hypothesis testing led to the rejection of $H_{01}$. The rejection of $H_{01}$ confirmed that motivation has a positive and significant effect on employee's performance. The study concludes that motivation plays a significant role in enhancing employees' performance in the four-star rated hotels along the coastal region of Kenya. The study recommends that the four star rated hotels along the coastal Kenya should implement motivation programs in their enterprises to record positive and significant employee and organizational performances. It is essential to develop and implement comprehensive employee motivation programs that cater to both intrinsic and extrinsic motivational factors, thereby enhancing job satisfaction and productivity. The study also recommends that policy formulating and regulatory bodies such as the Ministry of Tourism should devise mechanisms and enforce policies which are geared towards motivating employees' as well overseeing the overall welfare of workers.

**Keywords**: *Motivation, Employee Performance, four star rated hotels, Intrinsic and Extrinsic motivation*

## 1.0 Introduction

The dynamics around workplace and globalization makes it imperative for organization to embrace new mechanisms of conducting business (Ezenwakwelu, 2017). None-the less it should be noted that embracing modern technologies alone without the engagement of a well-motivated workforce would yield subpar results (Yeti, 2020). Motivation therefore is paramount in any organization since it is the driving force behind positive and significant performance in many institutions (Tehria, 2017). This is because employee motivation is what determines their productivity, participation and consequently the ultimate competitiveness and survival of an entity (Marewo, Mutongi, Thabani, & Nyoni, 2020). Thus, it is of utmost imperative for managers of enterprises to always be vigilant on the levels of motivation of their employees. Motivation can be viewed as the reasons for acting or behaving in a particular way and is the driving force behind qualified and competent personnel to achieve the desired organizational goals (Kanyanjua & Bonareri, 2019). The same authors further argued that after organizations have acquired competent employees, they ought to focus on mechanisms which will inspire these employees to unleash their full potentials (Kanyanjua & Bonareri, 2019).

Ezenwakwelu (2017) adds that motivation is a satisfying factor whose presence strongly and positively affects individual performance and its absence over time negatively affects individual performance. With motivation, employees assimilate the manners of self-satisfaction, self-fulfillment and committed and these ingredients results to better quality of work, efficiency and effectiveness in task accomplishment (Kanyanjua & Bonareri, 2019). Employees' motivation can either be instigated by external or internal factors and this results to either intrinsic or extrinsic motivation respectively (Tehria, 2017). Intrinsic motivation means that the individual's motivational stimuli are coming from within, this means that the individual has the desire to perform a specific task, because its results are in accordance with his belief system or fulfills a desire and therefore importance is attached to it (Tehria, 2017). Whereas Extrinsic motivation means that the individual's motivational stimuli are coming from outside (Omollo & Oloko, 2015).

In other words, desires to perform a task are controlled by an outside source (Mohamud, Ibrahim, & Hussein, 2017). Tehria (2017) adds that for an employee to be motivated and perform effectively and efficiently, both instrinsic and extrinsic motivation stimuli must be addressed. This present study sought to conduct a research study around the concept of motivation within the four star rated hotels along coastal Kenya. The justification for conducting the study was anchored in addressing the observed decline in employee performance and the high turnover rates in the Kenyan hotel industry, particularly in four-star rated hotels along the coastal region. The study is crucial as it sought to explore and clarify the relationship between motivation, both intrinsic and extrinsic, and its effects on employee productivity and job satisfaction. By focusing on this particular sector and geographical area, the study aimed to provide targeted insights and recommendations that could be instrumental in enhancing employee performance and, by extension, improving the overall health of the hospitality industry in Kenya.

## 1.1 Problem Statement

The performance of employees in the hotel industry has been wanting over the years, this can be visualized from the high rate of employee turnover in the industry as well as the overall contribution of the hotel industry in the country's GDP which dropped from USD 7.9 billion in 2019 to USD 5.4 billion in 2021 (KNBS, 2021). Tehria (2017) argues that an integral componet

which can counter employee turn over and push them towards performing optimaly is motivation. In their research studies, Marewo, Mutongi, Thabani and Nyoni (2020) as well as Yeti (2020) reported that motivation significantly affect employees' performance. The study by Marewo, Mutongi, Thabani and Nyoni (2020) was done in Zimbabwe and the researchers used the mixed research design. Whereas, the study by Yeti (2020) was done in Indonesia. Despite the significant impact of motivation on employee and organizational performance, little consideration and emphasis has been accorded to this concept in the four star rated hotels along the coastal Kenya, which is the intent of this current research study. This study, therefore in response to the contextual, conceptual as well as the methodological research gaps emanating from the reviewed literature, endeavored to determine the Effect of Motivation on Employees' Performance in The Four Star Rated Hotels in Coastal Kenya.

## 1.2 Objective of the Study

The objective of the study was to determine the Effect of Motivation on Employees' Performance in The Four Star Rated Hotels in Coastal Kenya

## 1.3 Hypothesis

The study was guided by the null hypothesis;

$H_{01}$: Motivation has no significant effect on Employees' Performance in The Four Star Rated Hotels in Coastal Kenya
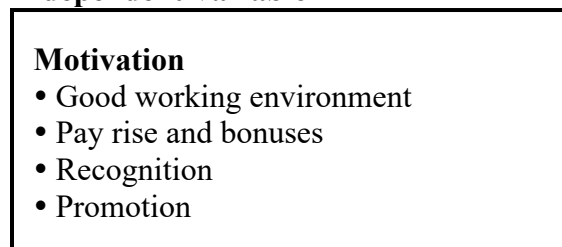
## 2.0 Literature Review

The literature review was presented in this section.

## 2.1 Conceptual Framework

It is a diagrammatic representation of the relationship between the independent and the dependent variables under investigation (Cooper & Schindler, 2019). Figure 1 illustrates the conceptual framework.

**Independent Variable**                                    **Dependent Variable**

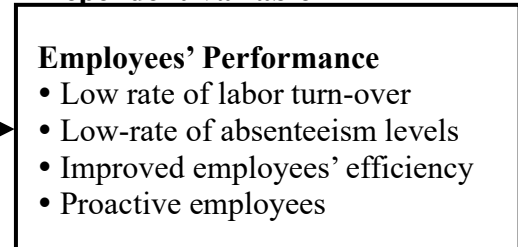| Motivation | Employees' Performance |
|---|---|
| • Good working environment<br>• Pay rise and bonuses<br>• Recognition<br>• Promotion | • Low rate of labor turn-over<br>• Low-rate of absenteeism levels<br>• Improved employees' efficiency<br>• Proactive employees |

**Figure 1: Conceptual Framework**

## 2.2 Empirical Literature Review

Several studies with reference to motivation and employee performance have been conducted around the globe. For instance, using a mixed research design in Zimbabwe, Marewo, Mutongi, Thabani and Nyoni (2020) studied the impact of employee motivation on emplyee performance and found that productivity levels and job satisfaction were greatly declining because workers were not motivated. In Indonesia, Yeti (2020) studied the effect of motivation on employee

performance and established that motivation positively affected employees' performance. The author employed a descritpive research design and data was analyzed using the statistical package for social sciences (SPSS). The researcher empoyed questionnairs in data collection and the simple regression analysis method in data analysis.

In Bangladesh, Nabi, Islam, Tanvir, and Hossain (2017) studied the impact of motivation on employee performance through a case study of Karmasangsthan Bank Limited. The authurs employed a descriptive research design and data was collected using questionannairs. The study was anchored around the Maslow's hierarchy of needs, McGregor's theory X and theory Y, Herzberg's motivation hygiene theory, the three needs theory of McClelland, the Goal setting theory, Reinforcement theory and the equity theory. The stratified random sampling technique was employed in determining the research sample whereas data analysis was through the regression statistics in SPSS. The researchers concluded that motivated employees perform effectively and efficiently which drastically contributes towards achieving organizational goals

In India, Tehria (2017) studied the Effect of Motivation on Employees' Productivity and concluded that motivation greatly influence employees' productivity thus it should be treated with the seriousness that it desearves. The author used the Herzberg's Two factors Theory, the Maslow's hierarchy of needs theory, the Hawthorne Effect, the Expectancy Theory, and the Three-Dimensional Theory of Attribution in underpining the study variables. In Nigeria, Olusadum and Anulika (2018) studied the Impact of Motivation on Employee Performance. The researchers tested their hypothesis using the Chi-square (X2) and found a significant relationship between staff motivation and staff performance. The researchers recommended that organization should consider staff motivation as a cardinal responsibility. Using the regression statistics from SPSS to analyze data, Mohamud, Ibrahim and Hussein (2017) studied the effect of motivation on employee performance through a case study of Hormuud company in Mogadishu in Somalia. The researchers found that employee motivation influenced performance. The researchers recommended that empoyees should be motivated so as to enhance employee retetion and performance.

In Kenya, using a case study of the postal corporation of Kenya, Kanyanjua and Bonareri (2019) studied the effect of motivation on employee performance of parastitals in Kenya and concluded that motivation increases employees morale and consequently their performance. The authors employed a descriptive research design in their study and analysis of data was through the regression statistics in SPSS. The theories which anchored the research study were the Hertzberg's two factor theory and Equity theory. In another study, Omollo and Oloko (2015) studied Effect of motivation on employee performance of commercial banks in Kenya. The researchers anchored their study around the Abraham Maslow's hierarchy of needs theory and Fredrick Herzberg's two factor theory. The researchers employed a descriptive research design and data analysis was through SPSS. The researchers found that motivation affects employee's performance.

## 2.3 Research Gap

The reviewed empirical literature brought about the research gap which this study endeavored to address. For instance, the study by Marewo, Mutongi, Thabani and Nyoni (2020) used a mixed research design instead of the decsriptive research design used in this study. The study by Yeti 2020 was done in Indonesia and not in Kenya. The study by Nabi, Islam, Tanvir, and Hossain (2017) was done in the banking industry in Bangladesh and not in the hotel industry. Again none of the researchers conceptualised their study variables in the same way as in this present study. In

response to the contextual, methodological and conceptual research gaps, this study conducted an investigation in an attempt to unravel the effect of motivation on employees' performance in the four star rated hotels in coastal Kenya.

## 3.0 Research Methodology

The descriptive research design was employed in this study, whereas the population for the study comprised of the 78 employees across the 13 four star rated hotels in coastal Kenya. The Yamane Taro 1967 formular employed in determining the sample size resulted into having a total sample size of 66 units. The simple random sampling technique was used in choosing the 66 units of analysis from the target population. Data for the study was collected using questionnaires. The collected data was analyzed through the Statistical Package for Social Sciences. Descriptive statistics, correlation statistics as well as the regression statistics were generated in this study. Diagnostic tests were conducted on the data before running the simple linear regression model. The regression coefficients generated were used in testing the hypothesis at 0.05 level of significance and decision made on whether to reject or fail to reject the null hypothesis. The regression model guiding this study was formulated in the following manner.

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots \text{Equation 3.1}$$

Where:

Y: Employees' Performance

$X_1$: Motivation

## 4.0 Research Findings and Discussion

## 4.1 Diagnostic Tests

Diagnostic tests were conducted on the data as a prerequisite for the successful running of the simple linear regression model.

## 4.1.1 Test for Normality

Normality of the data is confirmed when the normal (Probability to Probability) (P-P) plot tends to follow a liner distribution pattern (Kothari & Garg, 2019). Figure 2 shows that the data points in the P-P plot follow a linear distribution pattern, thus confirming that the data set was normally distributed.
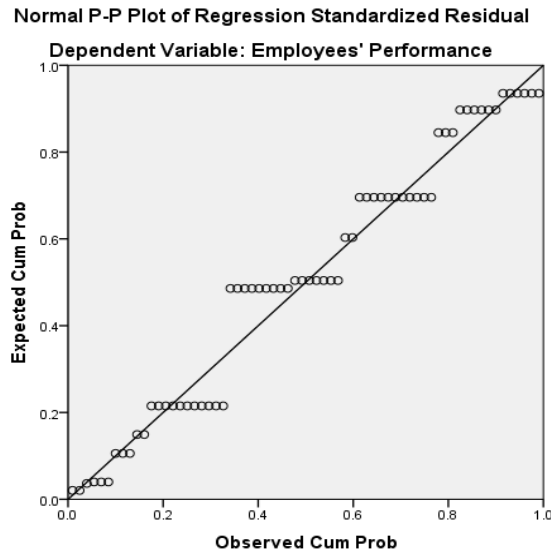
**Figure 2: Normal P-P Plot**

**4.1.2 Test for Linearity**

Researchers confirm the presence of linear relationship between the independent and the dependent variables when the scatter plot portray an oval shape distribution (Holmes, 2019). The oval shape distribution pattern of the scatter plot presented in figure 3 confirmed the presence of linearity, thus paving way for the successful application of the linear regression model.
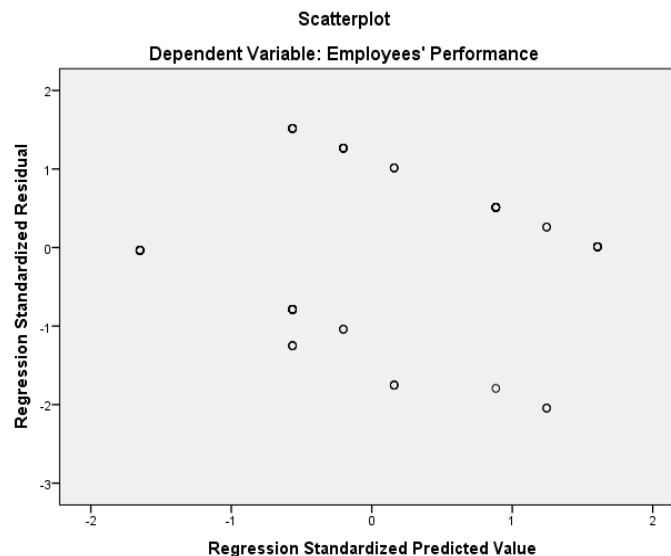


**Figure 3: Scatter Plot**

## 4.2 Descriptive Test Results

The descriptive statistics for the investment diversification in short-term government securities were generated using SPSS and the results tabulated in table 1.

### Table 1: Descriptive Statistics

|  | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Motivation | 66 | 2.50 | 4.75 | 3.6402 | .69078 |
| Employees' Performance | 66 | 3.00 | 4.50 | 3.8902 | .65652 |
| Valid N (listwise) | 66 |  |  |  |  |

Table 1 showed that the overall mean for the motivation variable was 3.6402, thus portraying the general agreement by the respondents that the four start rated hotels are implementing motivation mechanism in their entities. The standard deviation statistics value of 0.69078 which was less than the mean value indicated that the data for the motivation was well distributed around the central tendency. Again, the mean statistics of 3.8902 and the standard deviation of 0.65652 for the employees' performance variable showcased that the data was well dispersed around the central tendency. These findings highlight the crucial role of motivation in enhancing employee performance in the hospitality industry, emphasizing the importance for hotel management to focus on effective motivational practices to achieve organizational objectives and improve overall performance.

## 4.3 Pearson's Correlation Analysis Results

The Pearson's correlation analysis statistics were generated and tabulated in table 2

### Table 2: Pearson's Correlations Coefficients

|  |  | Employees' Performance | Motivation |
|---|---|---|---|
| Employees' Performance | Pearson Correlation | 1.000 |  |
|  | Sig. (2-tailed) |  |  |
|  | N | 66 |  |
| Motivation | Pearson Correlation | .573[**] | 1.000 |
|  | Sig. (2-tailed) | .000 |  |
|  | N | 66 | 66 |

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

The pearson's correlation analysis outcomes presented in table 2 indicated a strong positive ralationship of 0.573 between motivation and employees' performance, which was significant at 0.01 level (2-tailed). The outcomes indicated that for every unit increase in motivation, employees' performance increases by 0.573 units. This finding suggests that as motivation levels increase within the workforce of the four-star rated hotels along the coastal region of Kenya, there is a corresponding and substantial increase in employee performance. The implications for management in these hotels are clear: initiatives and strategies aimed at effectively enhancing employee motivation are likely to lead to a proportional and positive impact on performance. This correlation suggests that as management invests in motivational efforts, they can expect a corresponding increase in employee productivity and efficiency, highlighting the crucial role of motivation in driving organizational success.

### 4.4 Regression Analysis Results

This section comprised of table 3 for the model summary, table 4 for the ANOVA table and table 5 for the regression coefficients results.

**Table 3: The Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .573[a] | .328 | .318 | .54224 | 1.308 |

a. Predictors: (Constant), Motivation
b. Dependent Variable: Employees' Performance

The R-square outcomes of 0.328 from the model summary in table 3 indicated that over 32.8% of the variability of the dependent variable could be explained by the independent variables. The R-square results showed that the model was a good fit.

**Table 4: ANOVA**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 9.199 | 1 | 9.199 | 31.286 | .000[b] |
| | Residual | 18.817 | 64 | .294 | | |
| | Total | 28.016 | 65 | | | |

a. Dependent Variable: Employees' Performance
b. Predictors: (Constant), Motivation

The significant F test results of 0.000 in table 4 indicated that the model was fit and statistically significant, thus paving way for the successful running of the regression model. The implication of these results for the study is profound, as it provides a solid foundation for the conclusions drawn, enhancing the credibility of the insights regarding the impact of various factors on the dependent variable. This statistical backing is crucial for any further decision-making or policy formulation based on the study's findings.

**Table 5: Regression Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.908 | .361 | | 5.290 | .000 |
| | Motivation | .545 | .097 | .573 | 5.593 | .000 |

a. Dependent Variable: Employees' Performance

Out of the findings in table 5, the simple linear regression model was fitted as shown in equation 4.1.

$$Y = 1.908 + 0.545X_1 \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \text{ Equation 4.1}$$

Where,

Y: is the employees' performance

$X_1$: is motivation

## 4.5 Hypothesis Testing

The p-value statistics from the regression model in table 5 were employed in testing the hypothesis at 0.05 level of significance. The results for the hypotheses testing were given in table 6

**Table 6: Hypothesis Testing**

| Hypothesis Statement | P-value | Decision Rule |
|---|---|---|
| $H_{01}$: Motivation has no significant effect on employees' performance in the four star rated hotels in coastal Kenya | .000 | Reject $H_{01}$, Since P-value $<0.05$ |

The study rejected the null hypothesis based on the p-value statistics obtained from the regression model, as presented in Table 5 and detailed in Table 6 for hypothesis testing. The hypothesis, which posited that motivation has no significant effect on employees' performance in the four-star rated hotels in coastal Kenya, was tested at the 0.05 level of significance. The results, showing a p-value of .000, were well below the 0.05 threshold, leading to the rejection of the null hypothesis ($H_{01}$). This rejection indicates that there is a statistically significant effect of motivation on employees' performance in these hotels, affirming the importance of motivational factors in influencing employee performance in the hospitality sector along the coastal region of Kenya. These results were in agreement with the findings of Yeti (2020) who reported that motivation positively affected employees' performance in Indonesia. Similar findings were reported by Nabi, Islam, Tanvir, and Hossain (2017) in Bangladesh, who concluded that motivated employees perform effectively and efficiently which drastically contributes towards achieving organizational goals. The findings of this present study were also in agreement with the findings of Olusadum and Anulika (2018) in Nigeria, who also reported that motivation has a significant positive effect on employees' performance.

## 5.0 Conclusion

The study concludes that motivation plays a significant role in enhancing employees' performance in the four-star rated hotels along the coastal region of Kenya. This conclusion is drawn from the statistical analysis, which revealed a strong correlation between motivational practices and employee performance. The rejection of the null hypothesis, based on a p-value significantly lower than the 0.05 threshold, further substantiates the impact of motivation on performance. The findings indicate that when hotels invest in motivational strategies, they are likely to see a marked improvement in their employees' productivity and overall job satisfaction. This insight is crucial for hotel management, highlighting the need for well-structured and effective motivational policies and practices to drive better performance and contribute positively to the growth and success of the hospitality industry in the region.

## 6.0 Recommendations

The study recommends that the four star rated hotels along the coastal Kenya should implement motivation programs in their enterprises in order to record positive and significant employee and organizational performances. It is essential to develop and implement comprehensive employee motivation programs that cater to both intrinsic and extrinsic motivational factors, thereby enhancing job satisfaction and productivity. In addition, providing regular training and development opportunities is crucial, as this not only improves employees' skills but also aids in

their career growth, which is a significant motivator and performance booster. Establishing a robust feedback and recognition system is recommended. Such a system should focus on giving employees regular, constructive feedback and acknowledging their achievements, which will foster a positive work environment and encourage higher performance levels. In the same endeavor, the study recommends that policy formulating and regulatory bodies such as the Ministry of Tourism should devise mechanisms and enforce policies which are geared towards motivating employees' as well overseeing the overall welfare of workers.

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