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**FACTORS INFLUENCING EMPLOYEE PERFORMANCE (A STUDY OF
SELECTED FIVE STAR HOTELS IN SOUTH COAST, MOMBASA)**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT FOR THE
REQUIREMENTS OF A MASTERS IN BUSINESS ADMINISTRATION
DEGREE (H.R.M) OF KENYATTA UNIVERSITY**

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*Factors
influencing*




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DECLARATION

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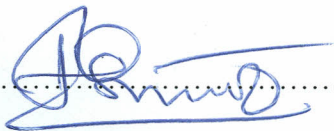
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DEDICATION

To my dear parents Lucina and Joshua who encouraged and prayed for me in the course of my study and to my son Persie for he was happy to let me carry on with my studies at his tender age.

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I sincerely thank God for according me good health and strength during the course of my study.

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God bless you all.

ABSTRACT

The performance of employees in the hotel sector in Kenya has declined over the past two decades. To date, there is still limited literature on employee performance in the hotel sector in Kenya and its underlying factors. This research was needed to try to find out which these characteristics are and how each affects the performance of the employees in the hotel sector, especially along the South coast, Mombasa.

Descriptive research design was used in the study. This study targeted 500 employees working in the Five Star Beach Hotels in South Coast, Mombasa. This research used stratified random sampling. Questionnaires were used in the study and the drop and pick method was used. The types of questions included both open and closed ended. Closed ended questions were used to ensure that the given answers are relevant. The questionnaires were then corrected and edited before the final distribution. Data collected through questionnaires was both qualitative and quantitative in nature. Qualitative data was collected using open-ended questions and analyzed through content analysis.

It was found out that productivity is moderately influenced by the age of employee; that employees with a long tenure perform better than those with shorter tenures to a moderate extent. It was also found out that respondents moderately rated the IQ of employees who excel in their jobs.

Since productivity is moderately influenced by the age of employee, the organization should retain and motivate employees with a long tenure, as employees with a long tenure perform better than those with shorter tenures. The organization should also hire more men than women as men tend to be more productive than women.

DEFINITION OF TERMS

Five-star hotel - A hotel which is considered the best rating making it the most expensive and elegant in terms of luxury and sophistication

Performance - The extent to which an organization as a social system fulfils its objectives

Employee performance - This is the level at which employees are performing

Influence- To have an effect that causes a change

LIST OF ACRONYMS AND ABBREVIATIONS

ACT –	American College Testing
ADB –	African Development Bank
EPM –	Employee Performance Management
ERS –	Economic Recovery Strategy
GDP –	Gross Domestic Product
GMAT –	General Management Admission Test
IQ-	Intelligence Quotient
JD –	Job Description
KENAS –	Kenya National Accreditation Service
KIE –	Kenya Institute of Education
LSAT –	Law School Admission Test
MBO –	Management by Objectives
MCAT –	Medical College Admission Test
MDGS –	Millennium Development Goals
NARC –	National Rainbow Coalition
SAT-	Statistical Aptitude Test
SPSS –	Statistical Package for Social Science
TIVET –	Technical Industrial Vocational Entrepreneurship Training
US –	United States

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CHAPTER ONE

INTRODUCTION

1.1 Background to the study

In this millennium employees must do more than they first thought possible. This means that they have to be aware of all their potential, capabilities and abilities and use them not only for their own benefit but also for the whole organization and the world at large. According to Alareon (2003), the millennium declaration led to the Millennium Development Goals (MDGs) which declared that countries commit themselves to eradicate poverty, promote human dignity and equality and achieve peace, democracy and environmental stability. Countries embarked on an exercise to development of all the major sectors in the economy, the hotel sector not left behind.

Upon taking office in December 2002, the NARC government commenced on the process of preparing an Economic Recovery Strategy (ERS) for wealth and Employment creation (2003-2007) whose key focus was reviving the economy, creation of employment and poverty alleviation. The emphasis on job creation and poverty alleviation was out of the recognition of the fact that after experiencing moderately high economic growth rates during the 1960s and 1970s, Kenya's economic performance was far below its potential during the 1980s and 1990s resulting to massive unemployment of 14.6 % in 2002 and rising levels of poverty in the country (56%in 2001). This greatly affected the hotel industry.

As part of turning around the economic decline, the NARC government rightly recognized that the hotel sector would provide the engine for driving the economy's growth and development, so as to facilitate reduction of poverty levels, increased job creation, redistribution of growth outcomes to majority of Kenyans, and generation of sufficient resources to support the growth momentum both in the medium and the long term. This would also contribute to the Millennium Development Goals (MDGs). The hotel sector in Kenya is not documented in statistical terms especially its GDP contribution. However, its total GDP recorded a positive and consistent growth trend during the period 2000 and 2003, growing from US \$ 2,080.87 million in 2000 to US \$ 2,465.43 million in 2001, US \$ 2,910.03 million in 2002 and 3,287.80 in 2003.

The hotel sub-sector undertakes key activities to both local residents and non-residents. Earnings from hotels from local residents are not well documented in Kenya's statistical documents, but from non-residents the data is well covered under the tourism sub-sector. This latter sub-sector has performed relatively well despite the negative publicity arising from the terrorism attack that took place in Nairobi (1998) and Mombasa (2001), and the inter-tribal clashes that took place during the course of the 1990s.

Net inflows from this sector had reached an all time high of Ksh. 21,715 million in 1994 but declined to Ksh. 11,222 million in 1997 following the inter-tribal clashes of that year, and further to Ksh 6,046 million following the terrorist bomb attack of July in Nairobi. From 2000, the sub-sector has shown an impressive recovery, with net foreign exchange inflows increasing from US \$ 211.66 million in 2003. There was however a set back in

the foreign exchange inflows in 2002, caused by the November 2001 terrorism attack in Kikambala, Mombasa.

1.1.1 Employee performance

According to Henry (1987), employee performance means the level at which your employees are performing. It is more than just completing the “dreaded” annual review in order to get the annual bonus or pay increase. It is an ongoing activity with the ultimate goal of improving both individual and corporate performance. Employees set their objectives for the upcoming review period; monitor their progress against those objectives, and develop the right set of skills and objectives for the future.

Employee performance can be ascertained through appraisal. The appraisal process is made up of three stages: Goal setting, evaluation and improving performance and skill development. (Armstrong, 2006). According to (Kotler, 1998), it is important that an organization considers implementing an Employee Performance Management (EPM) for the following reasons: automation, goal alignment, management of remote workers, competency management and talent management.

For employee performance to be effective and efficient, performance standards must be set. These are based on many factors which include: job expectations, skill level, area of expertise and aptitude. The organization’s performance management system will benefit greatly if the management defines specific performance standards for each job group and communicates those standards to employees on an individual basis. The U.S. Office of

Personnel Management defines performance standards as management approved expressions of the performance threshold(s), requirement(s), or expectation(s) that employees must meet to be appraised at particular levels of performance (Mullins, 1999). There is nothing that can be more vital to the performance of your organization than the performance of your employees. For an organization's employees to really perform the management needs to enable them to do so. Employees are the firm's most valuable asset in organizational excellence, in growth, in the image it has and in company returns. Naturally, managers need to have the right people on board in the first place. Employees who love their job, who fit in at the organization and through their motivation motivate others to do their very best. The employees need to show good employee ship. When the employees are motivated and willing to go the extra mile for your organization, the organization has important ingredients to boost its performance. For its employees to really perform it needs to enable them to do so. In short, as a last ingredient, as a manager, need to portray good employer ship (Robbins, 2001).

Managing employee performance every day is the key to an effective performance management system. Setting goals, making sure your expectations are clear, and providing frequent feedback help people perform most effectively. Clear performance expectations are a critical factor in teamwork success. The management should use clear performance expectations to help its employees develop accountable, productive, meaningful, participatory teamwork. It should develop a checklist for employee performance management. This will help to know the competent professional, those who procrastinate, miss deadlines and wait for instructions (Yuthman and Seashore, 1967)

As a good employer you should ensure that your employees are proud to work for you and recommend you as an organization and employer, they are able to work effectively and efficiently because you have given them the means to do so, they know how they contribute to the performance of the organization and work the harder for it, they feel they have the opportunity to grow along with the company, your management knows exactly what's going on in the workplace and that your employees leave with a smile and return full of energy every day (Fincham and Rhodes, 2005).

By mapping the opinions the employees have on you as an employer, you gain crucial insight into the employee ship within your company: the motivation, engagement, loyalty, turnover intention and performance amongst your employees. And you are able to improve your employer ship accordingly, resulting in higher returns from your employees (Kinicki and Kreiter, 2006).

1.1.2 Determinants of performance

Several factors can determine the performance of employees in an organization. They include biographical characteristics, abilities, learning, motivation and organizational factors. Biographical characteristics include the age of employees, gender, marital status and tenure. According to Judy and D'Amico (1997) there is a widespread belief that performance declines with age. Older employees are perceived as lacking flexibility and being resistant to new technology. But they also have a number of positive qualities that they bring to their jobs like experience, judgment, a strong work ethic and commitment to quality. Older employees are unlikely to quit employment due to fewer alternate job

opportunities, higher wages due to long tenure, longer paid vacations and more attractive pension benefits (Robbins, 1983). The natural conclusion is that productivity declines with age. Evidence suggests that there are a few differences, if any, in the performance of women and men. Therefore, given the significant changes especially in increasing female participation rate in the workforce and rethinking what constitutes male and female roles, we can conclusively assume that there is no significant difference in the productivity between men and women (Quinn, 1974).

Research indicates that married employees have fewer absences, undergo fewer turnovers and are more satisfied with their jobs than their un-married colleagues. Marriage imposes increased responsibilities that may make a steady job more valuable and important hence a better performance (Keller, 1983)

Tenure and job performance are directly proportional. Quinines et al (1995) show a positive relationship between tenure and productivity. Still studies have shown that tenure can be negatively related to absenteeism. It is also a potent variable for explaining turnover. The longer the tenure, the lower the turn-over; hence the higher the productivity.

Abilities include intellectual and physical abilities. Jobs differ on the demands they place on individuals to use their intellectual abilities. A high I.Q is not a prerequisite for all the jobs although the employees who excel in I.Q tests perform better in future job assignments. Physical abilities are more important in performing less skilled and more standardized jobs. Managers should be keen when selecting employees so as to recruit the best (Fleishman, 1979). Learning refers to any relatively permanent change in behavior

that occurs as a result of experience (Weiss, 1990). It involves change that can be either good or bad for the organization. Change is permanent and therefore must be change of actions. Learning should produce positive results for the organization, if not then it might be retrogressive.

Organizational structure can either be mechanistic or organic. In a mechanistic structure upper level managers divide tasks into discrete, specialized units. Employees are responsible for independently completing these tasks as assigned. It is governed by strict rules within a stringent hierarchical system. Managers govern the organization, make decisions and dictate them to lower-level employees. In contrast, within organic systems employees work together, each having an integral knowledge of other employees' tasks (Burns and Stalker, 1961). Jobs are more rigidly defined and job descriptions are often the collaboration among employees. There are a few regulations; hence employees have latitude to promote creativity and innovative thinking. Bucic and Gudergan (2002) concluded that high levels of centralization had a negative effect on performance. Organic structures lead to higher levels of job satisfaction hence higher levels of performance.

Organizational cultures can have varying impacts on employee performance and motivation levels. Oftentimes, employees work harder to achieve organizational goals if they consider themselves to be part of the corporate culture. Different cultures operating in one company can also impact employee performance. For example, if the organization maintains a reserved "talk when necessary" culture, employees may work accordingly;

however, if the organization allows one area, say the sales team, to be outspoken and socially active, the organization may experience rivalries among areas. Thus, allowing an area to set up their own culture can affect the performance of the employees deployed elsewhere in the company (Williams, 2002).

According to Kodz et al (2002), adequate working conditions have been shown in some instances to reduce absenteeism, raise morale and increase levels of job satisfaction. This then leads to an increased level of performance, productivity and quality of work.

Human resources managers and organizational behavior scholars have done research on cross-disciplinary organizational communication and job satisfaction and performance (Downs, 1977). The prevailing evidence indicates these factors are positively related. Downs (1993,) Jain (1973) and Pincus (1986) examined the relationship between communication effectiveness of hospital supervisors and their job performance as perceived by their subordinates. Results showed positive correlations between communication effectiveness and job performance, communication frequency and amount of job performance and employee communication- satisfaction and supervisor job performance.

Motivation is the need or drive within an individual that drives him or her towards a goal oriented action. The extent of the drive depends on the perceived level of satisfaction that can be achieved by the goal. Generally speaking, when employees enjoy their jobs, find the work challenging and like the work environment, they will usually put forth their best efforts and perform their tasks enthusiastically. According to Lawler and Maier (1973),

performance is the product of ability multiplied by motivation and ability is the product of aptitude multiplied by training and resources. The multiplicative factor suggests that all elements are essential. The purpose of motivating employees in an organization is to help them to work and work willingly and enthusiastically (Vroom, 2003)

This sector, as per the expectation of many, is supposed to provide employment and national economic growth. Contrary to this expectation on the performance, it is met with a series of complaints and problems of lack of growth and poor returns. In the past few years, this sector has experienced a high rate of wind ups for those industries whose proprietors do to put into consideration the competition their businesses face. For the hotel sector to prosper it has to put into consideration infrastructure; that is, if a hotel is situated in an area where there are no good roads, then it will mean that it will not be accessible by the clients and also it will be hard to provide raw materials for performance (Clayton, (1998)

1.1.3 Performance of the hotel sector in Kenya

The hotel sector has been key in the Kenyan economy for the last five decades. This is well illustrated in the hotel's overall growth record and its contribution to the country's Gross Domestic product (GDP), wage employment and balance of payments. The average annual growth rate of the sector in the country has been generally higher than that of many countries in the Sub-Saharan African region since the 1970s. (ADB Report, 1997)

In the second half of the 1970s, Kenya's hotel sector registered an annual growth rate of 7.4 per cent compared to 5.0 per cent growth rate recorded by the sub-Saharan Africa region as a whole. This relatively better performance remained more or less the same in the 1980s and early 1990s. In terms of growth, Kenya's hotel sector has performed better than that of even Zimbabwe and South Africa whose economies are substantially stronger than Kenya's (ADB Report, 1997).

In the recent years, particularly since the second half of the 1980s, however, small countries like Uganda have registered faster growth in the hotel sector than Kenya. Thus, while Kenya's hotel sector has had a much more impressive growth rate than that of Uganda's sector during the second half of 1970s and the first half of 1980s, the position has been reversed in the second half of 1980s and the first half of 1990s with Uganda registering higher rates than Kenya (ADB Report, 1997).

The importance of the hotel sector in Kenya's economy is even more pronounced when its contribution to wage employment is taken into consideration. By 1970, the sector accounted for 34 per cent of the total wage employment, which stood at 382,722 people working in the sector. Ten years after, this share has risen to 38.1 per cent with 441,794 people. This growth trend continued in the 1990s so that by 1998, about 600,800 people were employed in the hotel sector in the country (World Development Report, 1997).

Despite this high employment rate, the performance of the employees in this sector has dropped drastically in the last two decades. Contrary to the expectation of many on high performances of the employees in this sector, it is met with a series of complaints and

problems of lack of growth and poor returns. In the past few years, this sector has experienced a high rate of wind ups for those industries whose proprietors do not put into consideration the competition their businesses face (Clayton, 1998)

According to Young (2003), the performance of the hotel sector is determined by the training of the employees serving in this sector. Most of the junior employees do not embark on further training after their first certificate that got them the job and this negatively affects their performance due to the changing guest expectations. Moreover, a majority of the employers in the hotel sector fail to recognize the importance of motivation to their employees in terms of good remuneration, housing allowance and promotion to the hard working employees. It is therefore important that employees in any organization perform at the optimum level or as per the preset objectives. However, this has not always been the case in many sectors of the economy, and the hotel sector is not an exception.

1.2 Problem Statement

The performance of employees in the hotel sector in Kenya has declined over the past two decades. This has happened despite the fact that Kenya depends so much on this sector to generate income for her economy. According to the Kenya government's statistics in the 2007 Economic Survey (GOK, 2007) real GDP dropped by 6.1 per cent in 2006 compared to a revised growth of 5.7 per cent in 2005 and the hotel and restaurant sector contributed a 4 per cent rate to this drop. This sector accounts for 11% of GDP (Government of Kenya 2007: 25-26).

A taskforce by the Kenya Institute of education (KIE) meant to harmonize training in Kenya was instituted as a result of the Sessional Paper No. 1 of 2005 that saw the Technical Industrial Vocational Entrepreneurship Training (TIVET) was not responsive to the market needs. To date, this harmonization has not been completed, hence affecting the performance due to their unregulated training. However, the Kenya National Accreditation Service (KENAS) has been established through a legal notice which will be the sole accreditation body in the country (Mwaisaka, 2006).

Previous related studies by Austra and Asta (2009) and Mayaka and King (2002) observed a mismatch of the learnt skills and those needed in the industry. This has adversely affected the performance of the employees. Mayo (2003) suggests that there is need to ensure that employees acquire relevant competencies to perform well. Agut et al (2003) in a study focused on the hotel industry observed that all sets of competencies are required for effective employee performance.

The Kenya hotel sector needs were noted by Woolf (1990) to include satisfying all clientele, possess management, communication and motivational skills, knowledge of the organization's objectives, expectation and behavior of different classes of guests, management of people, use of control information, problem analysis and decision-making. With these, the employees are sure to perform well in their organization. However, this is not what is happening in the Kenyan hotel sector situation. Most employees lack motivation, are not involved in the decision making process and communication is usually top-down in nature.

A hotel sector exists and grows because it provides a guest (customer) with goods and services that the guest values as worthwhile. To do this effectively, it must perform at the optimum level of profitability. This level is a direct result of the employees' contribution. When there is a gap between actual performance and expected standards, performance suffers in this sector. Due to the high rate of competition from the other five star hotels in the country, lack of job security and motivation for the employees, and poor remuneration in the hotel industry especially in the five star beach hotels, performance problems such as low morale among the staff, poor returns to the companies and high turnover rates have been experienced (Clayton, 1988).

Cole (2004) says that human resources are the most dynamic of all organizational resources. As such therefore they need considerable attention from the organization's management if they are to realize their full potential at work. Thus motivation, communication, payment systems, work restructuring and training/development are issues that need constant attention from today's managers.

Nevertheless, a majority of employers fail to recognize the importance of motivation to their employees in terms of good remuneration, housing allowance and promotion to the hard working employees. This then acts as a basis for poor performance. It is therefore important that employees perform at the optimum level as per the pre-set objectives (Young, 2003). However this has not always been the case and the hotel sector is not an exception.

Elizaphan (2009) argues that, for the government to realize the enormous dreams of Vision 2030 and MDGs it has to conduct a successful recovery of the economy. The importance of the hotel sector in such is so crucial that it must be properly regulated by the government through proper policies and management for the desired effect to be realized in the country. The ministry of Tourism must come in handy to ensure that the hotel sector remains relevant in today's rapidly changing world. Despite this, employee performance problems are still evident in the country.

To date, there is still limited literature on employee performance in the hotel sector in Kenya and its underlying factors. Mwaisaka (2006) suggests that a study on employee performance in the hotel sector should be carried out in all the hotels across the country so as to aid the Ministry of tourism and hospitality colleges in making policies that will make the sector more attractive hence improve the performance of the employees. In south coast, Mombasa no research attention has been given to employee performance yet performance is a key aspect of profitability. Based on this information, the researcher is therefore prompted to investigate the characteristics of employees and how they influence their performance in the hotel sector in South coast, Mombasa. This research is needed to try to find out which these characteristics are and how each affects the performance of the employees in the hotel sector, especially along the South coast, Mombasa. It is meant to come up with better ways of managing it, the employees and the customers so as to improve the performance and minimize cases of businesses winding up.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study was to establish the characteristics of employee and how they influence their performance in the hotel sector in Kenya with reference to the five star beach hotels in South coast, Mombasa.

1.3.2 Specific Objectives

- i. To determine the extent to which biographical characteristics of employees influence their performance in the hotel sector.
- ii. To establish the extent to which the abilities of employees influence their performance in the hotel sector.
- iii. To assess the extent to which learning influences the performance of employees in the hotel sector.
- iv. To determine the extent to which motivation affects performance of employees in the hotel sector.
- v. To find out the extent to which organizational factors affect the performance of employees in the hotel sector.

1.4 Research Questions

- i. To what extent do the biographical characteristics of employees influence their performance in the hotel sector?
- ii. To what extent do the abilities of employees influence their performance in hotel sector?

- iii. To what extent does learning influence the performance of employees in the hotel sector?
- iv. To what extent does the motivation of employees influence their performance in hotel sector?
- v. To what extent do organizational factors influence the performance of employees in the hotel sector?

1.5 Significance of the Study

This study will be significant to a number of stakeholders:

1.5.1 The Five Star Beach Hotels' Management

The study will be significant to the management of the five star beach hotels because it will enable the understanding of those factors that affect performance in hospitality industry and be able to take appropriate action to facilitate solutions.

1.5.2 Customers of the Five Star Beach Hotels

The study will be significant to customers of the five star beach hotels as they will be able to get quality service. This is because the organization will implement measures that are meant to improve performance in order to avoid losing customers to competitors.

1.5.3 Government

The government will be able to formulate policies that would help enhance performance in the hospitality industry. The hospitality provides transport to tourists who are major

source of foreign exchange thus the government cannot afford to lose it. The recommendations will assist in formulating policies that will help to improve performance in hospitality industry,

1.5.4 Future Researchers

The study will provide the background information for research organizations and scholars who may want to carry out further research in this area.

1.6 Limitations of the Study

The study anticipated a number of limitations:

1.6.1 Confidentiality

Issues of confidentiality are very sensitive and therefore are anticipated to hinder the progress of data collection. Most managers and employees may not be willing to volunteer information on their organizations. The researcher countered this through an assurance of utmost good faith.

1.6.2 Fear of Reprisal

Some employees were anticipated to fear that the information they give could be accessed by their supervisors hence be used against them. The researcher availed copies of introduction letters to the organization and to all the respondents to gain their confidence.

1.7 Scope of the Study

The study was confined to the five star beach hotels in South Coast, Mombasa. These are: Leopard Beach Hotel, Indian Ocean Beach Club and Diani Reef Beach Resort and Spa. The focus was to analyze the characteristics of employees and how they influence the employee's work performance in the five star hotels in South coast, Mombasa. The study targeted both management staff and support staff.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section reviews literature related to the current study. Literature review is defined by Holloway as an overview of literature in general topic. It shows the pool of knowledge built on what other researchers have done in the topic of study and enables researchers to establish knowledge gap. This chapter comprises the review of past studies on performance, motivation, biographical characteristics, ability, organizational factors and learning.

2.1.1 Performance

According to Georgopolous and Tannebaum (1957), performance can be referred to as the extent to which an organization as a social system fulfils its objective. This view was held in the 1950s, but in the 1960s and 1970s, performance was viewed as the ability of an organization to exploit its environment to access scarce resources (Yuthman and Seashore, 1967). In the 80s and 90s, as a constructivist thinking became more standard in organization theory, it was recognized that identifying organizational goals is more complex than first thought (Pfeiffer and Jeffrey, 1997).

Performance is the accomplishment of a given task against preset known standards of accuracy, completeness, cost and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all the liabilities

under the contract. The analysis of organizational performance is a crucial step in the organizational assessment process. Yet, measuring performance is one of the most problematic issues in the field of organizational theory (Steers, 1975). While there could be a number of approaches of assessing performance, there is little consensus as to what constitutes a valid set of criteria.

As earlier indicated, performance is a multifaceted concept. Stakeholders of an organization are interested in the ways an organization defines its results and communicates this to various publics (Blickendorfer and Janey, 1988). Each stakeholder has its own interests as well as what constitutes good performance. For instance, profits in a profit making organization, in a university graduates produced and research activities conducted (Parker, 1993). The two hold the view that, at program level, beneficiaries have a primary interest in performance of the program, and a secondary interest in the organizational performance. This therefore implies that employees have an important stake in the performance of their organizations upon which they depend for their livelihoods. At the level of organizational performance, (Boscheken, 1994) says, there are other constituents such as citizens, funders, politicians and investors all of whom have yet other sets of interest. This research is meant to find out the extent to which biographical characteristics, abilities, learning, motivation and organizational factors influence the performance of employees.

Most hotels view their performance in terms of how well they meet the mandate of their stated mission, purpose and goals. Marphy, et al (1996) argues, that in organizational theory three fundamental approaches of measuring performance have evolved: the goal-based approach; an organization to be evaluated on the goals it sets for itself. However, these goals are different and at times contradictory across the organization. Such a problem can only be handled through grouping organizations based on activities. This method will be used by the researcher to sample employees in the hotel sector. Then there are the system approach and multi-constituency approach which look at multiple organizational performance aspects and differences in perspectives of hotel stakeholders respectively (Marphy et al 1996).

2.1.2 Employee Performance

According to Henry (1987), employee performance means the level at which your employees are performing. It is more than just completing the “dreaded” annual review in order to get the annual bonus or pay increase. It is an ongoing activity with the ultimate goal of improving both individual and corporate performance. Employees set their objectives for the upcoming review period; monitor their progress against those objectives, and develop the right set of skills and objectives for the future. Employee performance can be ascertained through appraisal. The appraisal process is made up of three stages: Goal setting - set goals and objectives for the upcoming review period. Evaluation - assess the employee's performance against the established goals and objectives. Improve performance and skill development - career planning, training, personal development, coaching, mentoring and more (Armstrong, 2006).

According to (Kotler, 1998), it is important that an organization considers implementing an Employee Performance Management (EPM) for the following reasons: Automation – it saves time and money by automating this potentially labor intensive activity. Not only will organizations become more efficient, they will be able to improve on their HR reporting and analytics; Goal Alignment - the goals and objectives of the organization can be cascaded down to every level of the organization. Everyone in the organization will be working towards a common objective; Remote Workers - technology and the nature of the work force has made alternative working arrangements a reality.

Kotler (1998) says that employees no longer have to physically be in the office in order to do their job. With an EMP solution, managers and employees can collaborate on their performance objectives; Flexibility - EPM solutions can be configured to meet the unique needs of every organization; Competency Management - every organization has specific competencies that are important for the company, departments and roles that can easily be managed using EMP software; Talent Management - EPM is an important part of the Talent Management Process. It helps to identify known competencies for success, develop succession plans, pinpoint talent gaps, and establish compensation scales. The employee performance management solution allows organizations to manage their talent in order to maximize their human resources in order to gain a competitive advantage against those objectives, and develop the right set of skills and objectives for the future.

For employee performance to be effective and efficient, performance standards must be set. These are based on many factors: job expectations, skill level, area of expertise and aptitude. The organization's performance management system will benefit greatly if the

management defines specific performance standards for each job group and communicates those standards to employees on an individual basis. The U.S. Office of Personnel Management defines performance standards as management approved expressions of the performance threshold(s), requirement(s), or expectation(s) that employees must meet to be appraised at particular levels of performance (Mullins, 1999).

2.1.3 Managing Day-to-Day employee Performance

Managing employee performance every day is the key to an effective performance management system. Setting goals, making sure your expectations are clear, and providing frequent feedback help people perform most effectively. Clear performance expectations are a critical factor in teamwork success. The management should use clear performance expectations to help its employees develop accountable, productive, meaningful, participatory teamwork. It should develop a checklist for employee performance management. This will help to know the competent professional, those who procrastinate, miss deadlines and wait for instructions (Yuthman and Seashore, 1967)

According to Barry and Joel (2004), employee evaluations are an important part of maintaining a motivated and skilled workforce. Employers should evaluate and assess their employee on a regular basis, not only for the company but also for the employee to receive feedback on the quality of work they do. Some of the key topics that should be covered in a thorough employee evaluation are: work processes and results, communication skills, decision making skills, interpersonal skills, leadership skills, planning skills, program/project management, interacting with external environment.

An evaluation should not only consist of performance metrics, but also behavioral metrics. In addition to gauge the potential growth of an employee the employer should specify some unique characteristics fitting to the industry the company is in. The goal of the evaluation should be to encourage professional excellence from the employees, rather than be used as a tool to point out short comes (Hugo, 1992).

There is nothing that can be more vital to the performance of your organization than the performance of your employees. For an organization's employees to really perform the management needs to enable them to do so. Employees are the firm's most valuable asset in organizational excellence, in growth, in the image it has and in company returns. Naturally, managers need to have the right people on board in the first place. Employees who love their job, who fit in at the organization and through their motivation motivate others to do their very best. The employees need to show good employee ship. When the employees are motivated and willing to go the extra mile for your organization, the organization has important ingredients to boost its performance. For its employees to really perform it needs to enable them to do so. In short, as a last ingredient, as a manager, need to portray good employer ship (Robbins, 2001).

As a good employer you should ensure that: Your employees are proud to work for you and recommend you as an organization and employer; Your employees are able to work effectively and efficiently because you have given them the means to do so; Your employees know how they contribute to the performance of the organization and work the harder for it; Your employees feel they have the opportunity to grow along with the

company; Your management knows exactly what's going on in the workplace; Your employees leave with a smile and return full of energy every day (Fincham and Rhodes, 2005).

By mapping the opinions the employees have on you as an employer, you gain crucial insight into the employee ship within your company: the motivation, engagement, loyalty, turnover intention and performance amongst your employees. And you are able to improve your employer ship accordingly, resulting in higher returns from your employees (Kinicki and Kreiter, 2006). In this study the researcher intends to work closely to determine whether these theories- goal-based, system, and multiple do have any relationship to the level of performance of employees in the hotel sector in South coast, Mombasa. The factors to be looked at include: biographical characteristics, abilities, learning, motivation and organizational factors.

2.1.4 Indicators of performance

Performance measurement uses the following indicators of performance, as well as assessments of those indicators. Quantity: The number of units produced, processed or sold is a good objective indicator of performance. Be careful of placing too much emphasis on quantity, lest quality suffers; Quality: The quality of work performed can be measured by several means. The percentage of work output that must be redone or is rejected is one such indicator. In a sales environment, the percentage of inquiries converted to sales is an indicator of salesmanship quality; Timeliness: How fast work is performed is another performance indicator that should be used with caution. In field

service, the average customer's downtime is a good indicator of timeliness. In manufacturing, it might be the number of units produced per hour; Cost-Effectiveness: The cost of work performed should be used as a measure of performance only if the employee has some degree of control over costs. For example, a customer-service representative's performance is indicated by the percentage of calls that he or she must escalate to more experienced and expensive representatives (Forsyth, 2010).

Absenteeism/Tardiness: An employee is obviously not performing when he or she is not at work. Other employees' performance may be adversely impacted by absences, too.

Creativity: It can be difficult to quantify creativity as a performance indicator, but in many white-collar jobs, it is vitally important. Supervisors and employees should keep track of creative work examples and attempt to quantify them;

Adherence to Policy: This may seem to be the opposite of creativity, but it is merely a boundary on creativity.

Deviations from policy indicate an employee whose performance goals are not well aligned with those of the company;

Gossip and Other Personal Habits: They may not seem performance-related to the employee, but some personal habits, like gossip, can detract from job performance and interfere with the performance of others. The specific behaviors should be defined, and goals should be set for reducing their frequency;

Personal Appearance/Grooming: Most people know how to dress for work, but in many organizations, there is at least one employee who needs to be told. Examples of inappropriate appearance and grooming

should be spelled out, their effects upon the employee's performance and that of others explained, and corrective actions defined (Hackett, 1990).

2.1.5 Assessment of performance indicators

Performance indicators must be assessed by some means in order to measure performance itself. Here are some of the ways in which performance is assessed from the aforementioned indicators.

The first one is manager appraisal whereby manager appraises the employee's performance and delivers the appraisal to the employee. Manager appraisal is by nature top-down and does not encourage the employee's active participation. It is often met with resistance, because the employee has no investment in its development (Forsyth, 2010).

Secondly, there is self-appraisal in which the employee appraises his or her own performance, in many cases comparing the self-appraisal to management's review. Often, self-appraisals can highlight discrepancies between what the employee and management think are important performance factors and provide mutual feedback for meaningful adjustment of expectations (Hackett, 1990).

The third method is peer appraisal during which employees in similar positions appraise an employee's performance. This method is based on the assumption that co-workers are most familiar with an employee's performance. Peer appraisal has long been used successfully in manufacturing environments, where objective criteria such as units produced prevail. Recently, peer appraisal has expanded to white-collar professions, where soft criteria such as "works well with others" can lead to ambiguous appraisals.

Peer appraisals are often effective at focusing an employee's attention on undesirable behaviors and motivating change (Woodward, 1965).

Team appraisal is another appraisal method that can be used to rate employees. It is similar to peer appraisal in that members of a team, who may hold different positions, are asked to appraise each other's work and work styles. This approach assumes that the team's objectives and each member's expected contribution have been clearly defined. Assessment Centers are also used in which the employee is appraised by professional assessors who may evaluate simulated or actual work activities. Objectivity is one advantage of assessment centers, which produce reviews that are not clouded by personal relationships with employees (Robbins,2001).

360-Degree or "Full-Circle" Appraisal is another method of appraisal. The employee's performance is appraised by everyone with whom he or she interacts, including managers, peers, customers and members of other departments. This is the most comprehensive and expensive way to measure performance and it is generally reserved for key employees. MBO (Management by Objectives): The employee's achievement of objective goals set in concert with his or her manager is assessed. The MBO process begins with action statements such as, "reduce rejected parts to 5 percent." Ongoing monitoring and review of objectives keeps the employee focused on achieving goals. At the annual review, progress toward objectives is assessed, and new goals are set(Robbins,2001).

An organization is productive in terms of performance if it achieves its goals and does so by transferring inputs to outputs at the lowest cost. As such, performance implies a concern for both effectiveness and efficiency. A business firm is effective when it attains its sales or market share goals, but its performance also depends on achieving these goals efficiently. Popular measures of organizational efficiency include Return on Investment (ROI), profit per shilling of sales and output per hour of labor. Productivity can be affected by: Absenteeism. This is the failure to report to work. It can lead to delay of important decisions in the organization, may make the organization not run smoothly. Work flow may be disrupted and can lead to reduction of quality of output or complete shutdown of the production facility. However, absenteeism can have a positive aspect. When employees are sick, fatigued or experience excess stress it can lead to employees reduced productivity. In the case of managers, it would be better to be absent other than present and make a poor decision due to stress (Judy and D'Amico, 1997).

Turnover is the voluntary and involuntary permanent withdrawal from an organization. It can be good if the 'right' people are leaving- the marginal and sub marginal employees. It may create opportunity to replace under performing individuals with someone who has higher skills or motivation, open up increased opportunities for promotions and add new and fresh ideas to the organization (Robbins, 2001).

Organizational citizenship is the discretionary behavior that is not part of an employee's formal job requirements, but that nevertheless promotes the effective functioning of the organization. Successful organizations expect employees to perform beyond the

expectations. They need employees who will engage in 'good citizenship' behaviors such as making constructive statements about their work group and the organization, helping others in their team, volunteering for extra job activities, avoiding unnecessary conflicts, showing care for the organizational property, respecting the spirit as well as the letter of rules and regulations and gracefully tolerating the occasional work-related impositions and nuisances. These are things that are not in any job description (JD). Evidence indicates that those organizations with such employees outperform those that don't (Robbins, 2001).

Job satisfaction is the difference between the amount of rewards workers receive and the amounts they believe they should receive. J.S presents an attitude rather than a behavior. It is believed that more satisfied employees are more productive than dis-satisfied ones. The researchers with strong humanistic values argue that satisfaction is a legitimate objective of any organization. Organizations have a responsibility to provide employees with jobs that are challenging and intrinsically rewarding (Fincham and Rhodes, 2005). According to Hatchet (1990), there are as many indicators of performance as there are companies and jobs. The various assessment methods can be used in combinations. It is important to choose indicators that align with your company's goals and assessment methods that effectively appraise those indicators.

2.2 Types of performance

There are two types of employee performance: In-role performance: This is what is in the job description. A JD sets out the purpose of the job, where the job fits into the

organization structure, the main accountabilities and responsibilities of the job and the key tasks to be performed. Extra-role performance behaviors are certain behaviors of employees, which are not part of their formal job requirements as they cannot be prescribed or required in advance for a given job but they help in the smooth functioning of the organization as a social system. Some of the extra role performance behavior are: helping coworkers with a job related problem; accepting orders without fuss; tolerating temporary impositions without complaint; maintaining cleanliness and physical hygiene of the work place; promoting a work climate that is tolerable and minimizes the distractions created by interpersonal conflict; and protecting and conserving organizational resources etc (Bateman & Organ, 1983).

2.2.1 Levels of performance

There are three levels of performance. The first one is individual performance. When individuals enter an organization, they are a bit like used cars. Each is different. Some are 'low mileage' - they have been treated carefully and have had only limited exposure to the realities of the elements. Others are 'well-worn,' having been driven over some rough roads. This means people will enter organizations with some behaviors that will influence their behavior at work. These include personal or biographical characteristics such as age, gender and marital status; personality characteristics; an inherent emotional framework; values and attitudes; and the basic ability levels. These characteristics are essentially intact when an individual enters the workforce, and, for the most part there is little the management can do to alter them. Yet, they have a very real impact on employees' behavior and performance. There are four other individual- level variables that affect

employee behavior: perception, individual decision making, learning and motivation (Robbins, 2001)

Secondly, there is group performance. The behavior of people in groups is more than the sum total of all the individuals acting in their own way. It is true that people's behavior when they are in groups is different from when they are alone. In groups, people's behavior is influenced by the patterns of the behavior they are expected to exhibit, what the group considers to be acceptable standards of behavior and the degree to which group members are attracted to each other. This will help in creating effective work teams. Teams are more flexible and responsive to changing events than are the traditional departments or other forms of permanent groupings. They have the capability to quickly assemble, deploy, re-focus and disband. They are also an effective means for management to democratize their organizations and increase employee motivation and synergy through coordinated effort (Robbins, 2001)

The third level of performance is group performance. Just as groups are more than the sum total of their individual members, so are organizations more than the sum of their member groups. The variables in groups that influence the primary variables include: the design of the formal organization, work processes and jobs; the organization's HR policies (selection processes, training programmes, performance evaluation methods) and the internal culture (Robbins, 2001)

However, this study is only interested on the performance of the individual employee and will focus on it only.

2.2.2 Theories of performance

Several theories have been advanced on performance:

2.2.2.1 Learning theory of performance

It states that learning focuses on improving performance in an organization. It often entails a perceptual restructuring of environmental relationships (Kohtler, 1967) .The theory also asserts that learning is meant to help solve problems. It also helps to eliminate errors and make correct choices. Learning is change in behavioral potentiality. It depends on the learner's level of motivation. Incentives (rewards or punishments) help in motivation. They invigorate performance up to a point.

However, when motivation seems particularly intense, some studies show performance to decrease. The theorists conclude that the effect of drive intensity on performance follows a U-shaped course, first helping and later hindering. (Anderson, 2000). Greatly increased motivation may not change performance qualitatively by introducing new efficient modes of behavior.

Arousal and performance- arousal level is how much capacity you have available to work with. Researchers at Yerkes- Dodson law firm predicts inverted U- shaped function between arousal and performance (Yerkes- Dodson, 1908). A certain amount of arousal

can be a motivator towards learning. But too much or too little will work against the learner. Too little has an inert effect on the learner, while too little has a hyper effect. (Broadhurst, 1957)

2.2.2.2 Goal setting theory

This is considered to be one of the most effective performance theories. It was formulated inductively based on empirical research conducted over nearly four decades by Locke and Latham. Its roots are based on the premise that conscious goals affect action (Locke & Latham, 2002). Goals are considered here to be the object or aim of an action. As the terminology used in performance management as a discipline is loosely structured, the goal setting theory itself applies to objectives, Key Performance Indicators and targets as well.

There are four general principles that are linked to an increase in motivation, thus generating optimal performance: Goals should be challenging, but attainable. Locke and Latham (2004) found a positive, linear function in that the most difficult goals produced the highest levels of effort and performance. They also found that performance decreased once the limits of ability were reached or when commitment to a highly difficult goal lapsed. Goals should be specific rather than vague. Research by Locke and Latham (1990) showed that specific, difficult goals consistently led to higher performance than urging people to do their best. As specific goals vary in difficulty, goal specificity in itself does not necessarily lead to high performance, but reduces variation in performance by reducing the ambiguity about what has to be achieved (Locke, et al, 1989).

Employees should be involved in the process of setting their own goals. When goals are self set, people with high self-efficacy set higher goals than do people with lower self-efficacy. They also are more committed to assigned goals, find and use better task strategies to attain the goals, and respond more positively to negative feedback than do people with low self-efficacy (Locke & Latham, 2002, Locke and Latham, 1990). The goal–performance relationship is strongest when people are committed to their goals.

Goals should be measurable in terms of being clearly understood by employees: quantity, quality, time, and cost. For goals to be effective, people need summary feedback that reveals progress in relation to their goals. If they do not know how they are doing, it is difficult for them to adjust the level or direction of their effort or to adjust their performance strategies to adjust their performance strategies to match what the goal requires. Summary feedback is a moderator of goal effects in that the combination of goals plus feedback is more effective than goals alone (Locke and Latham, 2002).

Locke and Latham (2002) propose four mechanisms through which goals affect performance: Directive function: They direct attention and effort toward goal-relevant activities and away from goal irrelevant activities. Energizing function: High goals lead to greater effort than low goals.

Impact on persistence: When participants are allowed to control the time they spend on a task, hard goals prolong effort (LaPorte and Nath, 1976). There is often, however, a trade-off in work between time and intensity of effort. Faced with a difficult goal, it is

possible to work faster and more intensely for a short period or to work slower and less intensely for a long period.

While Goal Setting Theory is generally analyzed at individual level, its principles are considered relevant at organizational level, too. Locke (2004) argues that goal-setting is effective for any task where people have control over their performance. Research in this field currently explores goal setting theory at both individual and organizational level. Elements of the Goal Setting Theory are present in various degrees in all aspects that relate to performance management practice. Linking theory to practice is up to all of us.

2.3 Empirical Review

A number of factors influencing an employee's performance have been identified. However, as shown below, much of the studies were carried out in developed countries such as the USA and Britain. The factors addressed here include biographical characteristics, abilities, learning, motivation and organizational factors.

2.3.1 Biographical characteristics and performance

These include: age, gender, marital status and tenure. They affect the performance of employees in different ways.

There are three reasons why age is an important factor of performance. First, there is a widespread belief that job performance declines with increasing age. This is a reality which many people rely on regardless of whether it is true or not. Secondly, it is a reality that the workforce is aging. For instance, workers who are 55 years and older are the

fastest- growing sector of the workforce; between 1994 and 2005, their ranks were expected to jump to 36% (Robbins, 2000). Thirdly, the recent U.S.A legislation that, for all intents and purposes, outlaws mandatory retirement. Most US workers today no longer have to retire at the age of 70 years. Evidence indicates that employers hold mixed feelings concerning the older workers. They see a number of positive qualities that they bring to their job; specifically experience, judgment, a strong work ethic and commitment to quality. But they are also perceived as lacking flexibility and being resistant to new technology. And in a time when organizations strongly seek individuals who are adaptable and open to change, the negative perceptions associated with age clearly hinder the initial hiring of older workers and increase the likelihood that they will be let go during downsizing (American Business and Older Workers Report: A Roadmap to 21st century, 1995).

The older you get, the less likely you are to quit your job due to fewer alternate job opportunities, higher wages due to long tenure, longer paid vacations and more attractive pension benefits (Rhodes, 1983). Most studies do show an inverse relationship between age and absenteeism. However, close examination finds that age- absence is avoidable or unavoidable. In general, older employees have lower rates of avoidable absence than younger employees. However, they have higher rates of unavoidable absence, probably due to the poorer health associated with aging and the longer recovery period that they need if injured (Hacket, 1990).

There is a widespread belief that productivity declines with age. It is often assumed that an individual's skills- particularly speed, agility, strength and coordination- decay over time and that prolonged job boredom and lack of intellectual stimulation all contribute to reduced productivity. However, some researchers have concluded that age and job performance are unrelated. The natural conclusion is that the demands of most jobs, even those with heavy manual requirements, are not extreme enough for any declines in physical skills due to age to have an impact on productivity; or if there is some decay due to age, it is offset due to gains by experience (Labich, 1993).

The evidence on the relationship between job satisfaction and age is mixed. Most studies indicate a positive association, at least up to the age of sixty years. Other studies, however, have found a u-shaped relationship. However, it is indicated that job satisfaction tends to continually increase among professionals as they age whereas, it falls among non-professionals during middle age and then rises again in later years (Kalleberg and Loscocco, 1983)

2.3.1.1 Gender and performance

Debates have been going on whether women perform as well on jobs as men do. The evidence suggests that the best place to begin is with the recognition that there are few, if any, important differences between men and women that will affect their job performance. There are, for instance, no consistent male-female differences on problem solving ability, analytical skills, competitive drive, motivation, sociability or learning ability. Actually, psychological studies have found that women are more willing to

conform to authority than men and that, men are more aggressive and more likely than women to have expectations of success, but those differences are minor (Eagerly, 1981) Therefore, given the significant changes especially in increasing female participation rates in the workforce and rethinking what constitutes male and female roles, we can conclusively assume that there are no significant differences in job productivity between men and women. Similarly, there is no evidence indicating that an employee's gender affects job satisfaction (R.P. Quinn, 1974).

Nevertheless, gender comes in when work preference schedules are being made. Working mothers are more likely to prefer part-time work, flexible work schedules and telecommuting in order to accommodate their family responsibilities. (Pleigh, 1983)

The evidence available on the relationship between gender and turnover is mixed. Some studies have found that women have a higher turnover rate; others have found no difference. (Marsh and Monnari, 1977). On absence, evidence consistently indicates that women have higher rates of absenteeism than men do. This is because historically women have more responsibilities over their children and family than men; although this is only time-bound due to affirmative action.

2.3.1.2 Marital status and performance

Although there is not enough evidence to draw conclusions on the effect of marital status on productivity, research indicates that married employees have fewer absences, undergo fewer turnovers and are more satisfied with their jobs than their unmarried co-workers. (R.T. Keller, 1983) Marriage imposes increased responsibilities that may make a steady

job more valuable and important. The greatest undoing of this assertion is that studies have not been done on other status other than married or single. Other statuses include divorced, widowed and come-we-stay arrangements and maybe or maybe not have an impact on employee performance and job satisfaction.

2.3.1.3 Tenure and performance

Extensive reviews on the seniority-productivity relationship have been conducted (Quinones et al, 1995). If we define seniority as time on a particular job, then recent evidence demonstrates a positive relationship between seniority and productivity. If tenure is expressed as work experience, then it has a positive relationship with productivity.

Still, studies have shown that seniority can be negatively related to absenteeism. (Garrison and Muchinsky, 1977). Tenure is the single- most important explanatory variable for absence from work. It is also a potent variable for explaining turnover. The evidence available points that the tenure of an employee in a previous job can be used to predict future turn-over. This goes hand in hand with the fact that past behavior can be used to predict future behavior. It is also worth noting that tenure and job satisfaction are directly proportional.

2.3.2 Ability and performance

Ability refers to an individual's capacity to perform the various tasks in a job. It is a current assessment of what one can do. An individual's overall abilities are essentially made up of two sets of factors: intellectual and physical abilities.

2.3.2.1 Intellectual abilities

These are those abilities needed to perform mental activities. IQ tests, SAT, ACT; GMAT, LSAT (law) and MCAT (medicine) are designed to ascertain one's general intellectual abilities. The seven most frequently cited dimensions making up intellectual abilities are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization and memory (Dunnette, 1976).

Jobs differ in the demands they place on individuals to use their intellectual abilities. The more information-processing demands that exist in a job, the more general intelligence and verbal abilities will be necessary to perform the job successfully (Lubinski and Dawis, 1992). A high IQ is not a prerequisite for all the jobs although the employees who excel in IQ tests perform better in future job assignments.

2.3.2.2 Physical abilities

These are important to successfully do less skilled and more standardized jobs. In performing physical tasks, there are nine basic abilities involved: strength factors; dynamic strength, trunk strength, static strength, explosive strength; flexibility factors: extent flexibility, dynamic flexibility; other factors: body coordination, balance, and stamina. These abilities may have no relationship to one another. It is end on the ability

requirements of the job. These two must be taken into consideration simultaneously. If the fit is poor, employees are likely to fail. Abilities significantly above those required can also reduce the employee's job satisfaction when his desire to use his abilities is particularly strong and is frustrated by the limitations of the job (Tyler, 1974).

2.3.2.3 Learning and performance

Learning refers to any relatively permanent change in behavior that occurs as a result of experience (Weiss, 1990). Learning is not a physical process; the only observable attribute of learning is change of behavior. We only infer that learning has taken place if an individual behaves, reacts, responds as a result of experience in a manner different from the way he formerly behaved. (McGhee, 1958). Learning involves change which can be good or bad for the organization, change is permanent and there must be change of actions.

2.3.2.4 Theories of learning

The first theory is Classical conditioning. This is a type of conditioning in which an individual responds to some stimulus that would no ordinarily produce such a response. (Pavlov, 1902)

Secondly, there is operant conditioning. This argues that behavior is a function of its consequences. The tendency to repeat that behavior is influenced by the reinforcement or lack of it brought about by the consequences of the behavior. Reinforcement, therefore, strengthens a behavior and increases the likelihood that it will be repeated. (Skinner,

1971). Rewards are the mostly common used reinforcement of behavior. If behavior is not rewarded, or is punished, it is less likely to be repeated.

Thirdly there is social learning. People learn by observing what happens to others and just by being told about something as well as direct experiences. It assumes that people respond to how they perceive and define consequences, not to the objective consequences themselves. It has four processes: Attention process- people learn from models who draw their attention in terms of attractiveness, availability, importance and similarity; Retention process- how individuals remember the model when gone; Motor reproduction process- performance modeled activities; Reinforcement process- positive reinforcement will ensure individuals exhibit modeled behavior.

2.3.4. Motivation and performance

Motivation is the need or drive within an individual that drives him or her towards a goal oriented action. The extent of the drive depends on the perceived level of satisfaction that can be achieved by the goal. Generally speaking, when employees enjoy their jobs, find the work challenging and like the work environment, they will usually put forth their best efforts and perform their tasks enthusiastically. According to Lawler and Maier (1973), performance is the product of ability multiplied by motivation and ability is the product of aptitude multiplied by training and resources. The multiplicative factor suggests that all elements are essential.

Employees need development and guidance and therefore need to be motivated to perform well in the right areas. Motivation process starts with physiological deficiency or a need those activities behavior or a drive that is aimed at a goal. The purpose of motivating employees in an organization is to help them to work and work willingly and enthusiastically (Vroom, 2003)

Motivation is a dynamic and continuous process as it deals with human beings with an ever changing entity that modifies itself every moment. Human needs are unlimited and keep on changing continuously. People must at all time be provided with the stimulus to work because satisfaction of one needs to give rise to another need (Maslow, 1954).

McGregor (1960) developed theory X and Y approach to motivation. Theory X states that by nature people are lazy and work as little as possible. They lack ambition, dislike responsibilities and prefer to be led. The implications for management are that people need to be persuaded, rewarded and punished so as to work. Theory Y states that people have only become passive and resistant to organizational needs as a result of their experiences in the organization. People are capable of taking responsibility. The implication for management is that, for the organization to be productive, their essential task is to arrange for people to be able to achieve their own goal by directing their own performance toward the objectives of the organization.

Financial reward and incentives are not the evidence of sufficient positive motivation. It motivates only where other things have made the workers to assume responsibilities. The

incentive pay produce better output where there is already willingness to perform better there wide its ineffectual is sabotaged therefore, if the manager is to improve the work of the organization attention must be given to the level of motivation to direct their efforts (driving force) towards the successful attainment of the goal and objectives of the organization (Gellerman, 1994)

Maslow (1954), in his Hierarchy of Needs hypothesized that within every human being there exists a hierarchy of five needs which are in order of their importance. Physiological needs include hunger, thirst, shelter, sexual drive and sleep. In the employment context they are usually satisfied through adequate wages. Safety needs: The employees should be secured form physical and emotional harm .Social needs- affection, belonging, acceptance and friendship. Esteem needs – internal factors such as self-respect, autonomy and achievement and external esteem factors such as statutory recognition and attention and self- actualization i.e. the drive to become what one is capable of becoming. As each need to sustainable satisfied the rest need becomes dominant. The individual moves up because the substantially satisfied need no longer motivates. Maslow separated the five needs into higher and lower levels.

The Economic theory also explains about motivation of employees and relates it to performance. This theory is sometimes described as the rational-Economic theory or the traditional Theory. It is exemplified in the ideas of F.W. Taylor and his followers in the so- called Scientific Management School which introduced methods of time and motion study into work organizations. It is based on the assumptions that workers are motivated

mainly by material incentives. Taylor argued that, the output of a highly productive person would decrease when he discovered that he was receiving basically the same compensation as that of a person who produced less. His solution was to design a system whereby individuals were compensated according to their production (Mullins, 1999).

This theory got support from the scientific management movement at the dawn of the 19th century and continues to receive huge support in modern day organizations. In supporting Taylor's ideas Luthens (1991) observes that 'whether employees maintain high performance or not depends on how they perceive consequences of their efforts. If they believe high performance will be rewarded, they will be more likely to achieve it. The monetary incentives should be performance contingent.'

Gellerman (1994) says that: money is an important employee motivator. It is a means through which employees can access important things in life. Through money, their children can go to school; it determines where they live, what they eat, wear, access to social amenities and generally to 'good life'. More money, he felt was the only way to move employees to higher performance.

However, Nzuve (1999) argues that, monetary incentives, though important motivators are not by themselves sufficient to motivate the employees. He observes that human beings have much more needs beyond what monetary incentives can provide. The opportunity for recognition, power, social status, prestige, security, belonging, growth and development in their career and leadership are much more important than money

rewards towards good performance. Notwithstanding the shortcomings of Taylor's theory, modern organizations have designed different monetary incentive plans to improve employees' performance. These include different piece-rate plan, Emerson efficiency plan and bonus plans prevalent in most organizations. With these plans, a basic pay is guaranteed while individual effort and efficiency are linked to additional monetary reward.

Lawler, (1977), gave out some points that could help in increasing a positive aspect of motivation in any organizational set up: effective managers should overcome the egocentric bias through frequent, personal and supportive discussion with their employees; managers can improve the efficiency by discussing with the subordinates the recent significant changes in the careers of common acquaintances (Employees responses to changing circumstances affecting their responsibilities, pay, personal time, travel requirements extra that often provide useful insights into their personal performance); managers should be alert to the dynamic quality of human needs having three basic levels: basic life-sustaining needs, social needs and self actualization needs. The managers can decide as per prevailing environment in the market theology; effective managers will make arrangements to counter balance the different social and personal events that have different effects on the job performance of the employees, these may include a birth or a death in the family, marriage and divorce, job transfer or obsolesce, promotion or demotion. All these events can be accommodated by implementing flexible organizational reward systems; if the job designs are uninteresting and unfulfilling, performance will suffer directly. In such cases, the managers can introduce compensation

for lack of control over external factors by fine-tuning the person or job-fit directly; job design having five managerial action guidelines that can help in the desired personal and work outcomes to combine tasks, form identifiable work units, establish client relationships, develop vertical load jobs and open feedback channels; finally, managers can increase the performance of employees by increasing employees direct contact with other employees or by giving them feedback on how their jobs fit in and contribute to the overall operation of the organization.

2.3.5 Organizational factors and performance of employees

There are several factors that can influence the performance of the employees in an organization. These include the organizational culture, the organizational structure, and communication and working conditions (Roethlisberger, 1947).

2.3.5.1 Organizational culture and employee performance

Organizational culture defines the way employees complete tasks and interact with each other in an organization. The cultural paradigm comprises various beliefs, values, rituals and symbols that govern the operating style of the people within a company. Corporate culture binds the workforce together and provides a direction for the company. In times of change, the biggest challenge for any organization may be to change its culture, as the employees are already accustomed to a certain way of doing things (Williams, 2002).

According to Ashkenazi (2011), the dominant culture in organizations depends on the environment in which the company operates the organization's objectives, the belief system of the employees and the company's management style. Therefore, there are

many organizational cultures. For example, highly bureaucratic and well-structured organizations typically follow a culture with extensive controls. Employees follow standard procedures with a strict adherence to hierarchy and well-defined individual roles and responsibilities. Those in competitive environments, such as sales, may forgo strict hierarchies and follow a competitive culture where the focus is on maintaining strong relationships with external parties. In this instance, the strategy is to attain competitive advantages over the competition. The collaborative culture is yet another organizational way of life. This culture presents a decentralized workforce with integrated units working together to find solutions to problems.

Strong corporate cultures indicate that employees are like-minded and hold similar beliefs and ethical values. When these beliefs and ethical values align with business objectives, they can prove to be effective in building teams because rapport and trust quickly ensues. The bonds that the teams build help them avoid conflicts and focus on task completion. Strong corporate cultures ease communication of roles and responsibilities to all individuals. Employees know what is expected of them, how management assesses their performance and what forms of rewards are available (Schumann, 2006).

Organizational cultures can have varying impacts on employee performance and motivation levels. Oftentimes, employees work harder to achieve organizational goals if they consider themselves to be part of the corporate culture. Different cultures operating in one company can also impact employee performance. For example, if the organization

maintains a reserved “talk when necessary” culture, employees may work accordingly; however, if the organization allows one area, say the sales team, to be outspoken and socially active, the organization may experience rivalries among areas. Thus, allowing an area to set up their own culture can affect the performance of the employees deployed elsewhere in the company (Armstrong, 2002)

Organizations must structure their recruitment processes to attract and engage incumbents with the same beliefs and values that constitute the organization’s culture. This ensures the new employee’s assimilation to the company and further strengthens corporate culture. Companies should also ensure that they align corporate culture with performance management systems. When culture and management systems are not aligned, management must redirect them so that employee behavior results in the achievement of organizational goals (Robbins, 2001).

2.3.5.2 Organizational structure and employee performance

Organizational structure is a pattern of communications and relations among a group of human beings, including the processes for making and implementing decision (Simon, 1997). There are a variety of ways in which researchers can examine the structure of an organization. Burns and Stalker (1961) distinguished between organic and mechanistic organizational structures. They explained that a mechanistic structure is one in which upper level managers divide tasks into discrete, specialized units. Employees are responsible for independently completing these tasks as assigned. Additionally, this type of organizational structure is one that is governed by strict rules within a stringent

hierarchical system. In this type of organization, the upper-level management governs the organization, makes decisions and dictates these decisions to lower-level employees for completion. Thus communication within the organization is vertical; providing formal networks only between immediate superiors and subordinates (Burns and Stalker, 1961). In contrast, within organic systems employees work together, each having an integral knowledge of other employees' tasks (Burns and Stalker, 1961). As a result, jobs are not as rigidly defined as job descriptions are often the result of collaboration among employees. This type of organization structure has fewer regulations, allowing employees latitude to promote creativity and innovative thinking. Similarly, organizational systems include lateral communication, allowing employees to collaborate with one another as well as other external constituencies. As a result, upper-level managers do not deliver decisions, rather employees' work together to implement new ideas (Burns and Stalker, 1961).

A number of researchers have empirically examined the effect of both organic and mechanistic structures. One study reported that the communication pattern within organic and mechanistic organizational structures vary (Courtright et al, 1989). They found that the communication patterns within mechanistic structures tend to be authoritative and command oriented while patterns of communication within organic structures tend to be consultative.

Bucic and Gudergan (2002) examined the direct effect of mechanistic and organic organizational structures on employees' performance. They found out that high levels of

centralization had negative effect on performance. Similarly, Meadows (1960) discovered that the implementation of an organic structure was positively related to an increase in job satisfaction among employees working in small groups hence a better performance.

Harrison (1974) examined the impact of organic and mechanistic structures on scientists' perceived role performance. He found that scientists working in more organically structured laboratories viewed themselves as being more respected by their colleagues, made a greater contribution of knowledge to the field, made a greater contribution of management objectives and held greater sense of personal achievement than their colleagues working in more mechanically structured organization. One important limitation of this study was the author's sole reliance on subjective methods of performance appraisal, such as a sense of personal achievement as opposed to more objective methods of assessment, such as rate of publications. Faculty members working in organically structured departments will have higher levels of job performance. They have fewer rules and regulations within the department and have more leniencies regarding their activities. Hence are more likely to engage in innovative ideas because they do not need to go through formal channels to attain permission for doing so. This could in turn influence productivity.

2.3.6 Communication and performance

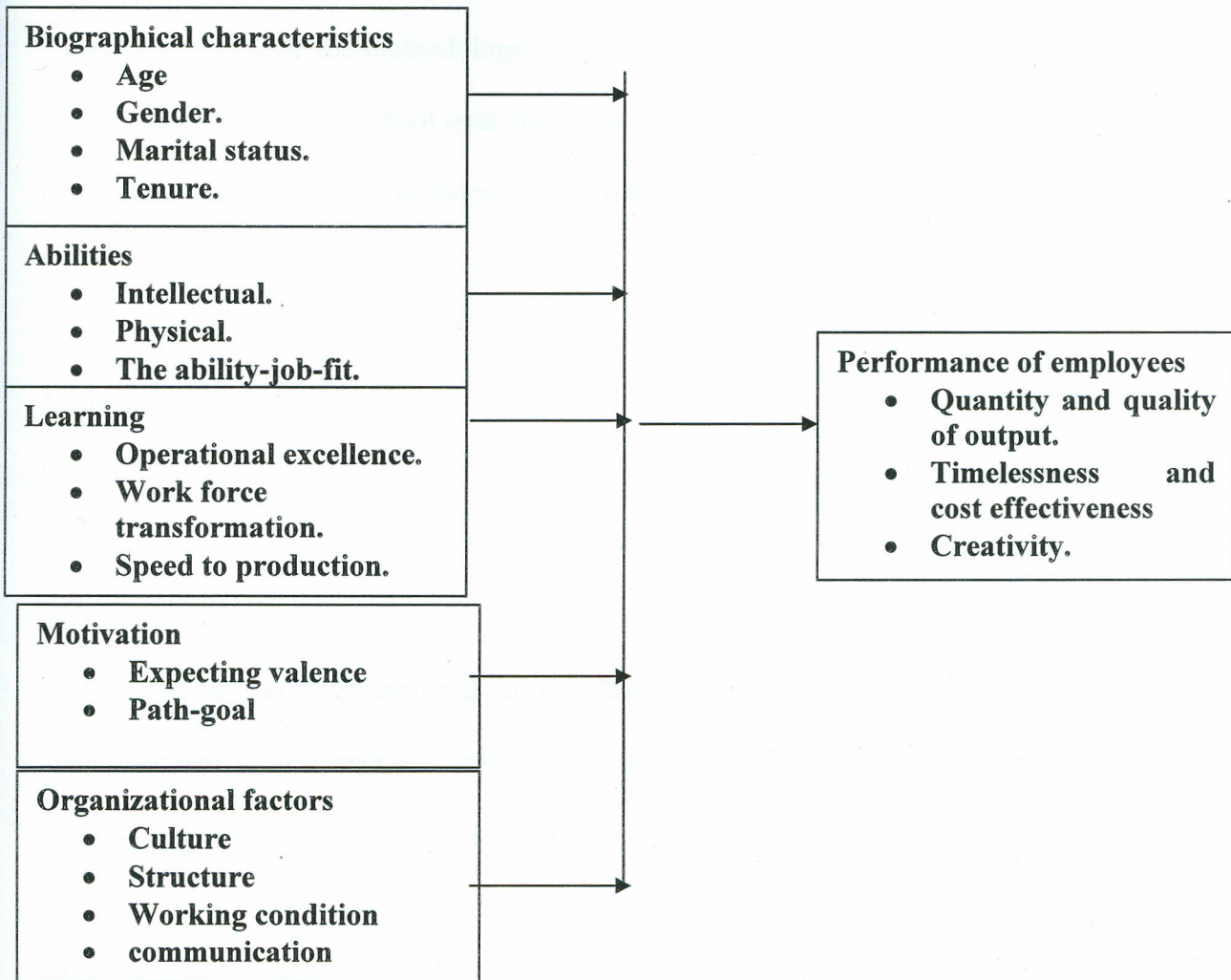
Human resources managers and organizational behavior scholars have done research on cross-disciplinary organizational communication and job satisfaction and performance (Downs, 1977). The prevailing evidence indicates these factors are positively related.

Downs (1993,) Jain (1973) and Pincus (1986) examined the relationship between communication effectiveness of hospital supervisors and their job performance as perceived by their subordinates. Effectiveness criteria were supervisor communication behavior, supervisor-subordinate communication frequency and amount, employee knowledge of policies and procedures, employee communication satisfaction and supervisory formal communication channels use. Results showed positive correlations between communication effectiveness and job performance, communication frequency and amount of job performance and employee communication- satisfaction and supervisor job performance.

Surveying 327 hospital nurses, Pincus (1986) measured nine communication factors grouped into three dimensions: informational, relational and informational/relational. The results showed employee perception of organizational communication satisfaction related significantly to both job satisfaction and job performance though the communication satisfaction-job satisfaction link was stronger than the communication satisfaction-job performance link. The major contributors to both the organizational communication-job satisfaction relationship and the organizational communication-job performance link were supervisor communication, communication climate, personal feedback and top management communication. Interestingly, three of the four contributors comprised informational/relational dimension which Pincus (1986) described as having dual focus on both informal and relational aspects of communication. Top management communication, the fourth contributor was a relational dimension.

2.4 Conceptual Framework

Figure 2.1 Conceptual Framework



The conceptual framework above presents the relationship between the independent variables biographical characteristics, abilities, organizational, learning, motivation and the dependent variable which is employee performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents the methodology, which was used to carry out the study. It further describes the type and source of data, the target population and sampling methods and the techniques that were used to select the sample size. It also describes how data was collected and analyzed.

3.2 Research Design

Research design is the outline, plan or scheme that is used to generate answers to the research problem (Orodho, 2003). It is basically the plan and structure of investigation. This is regarded as the arrangement of conditions for collection and analysis of data in a manner that aims at combining relevance with the research purpose (Kombo and Tromp, 2006). Kothari (2003) says it constitutes the blue-print for the collection, measurement and analysis of data.

Descriptive research design was used in the study. Descriptive research seeks to establish factors associated with certain occurrences, outcomes, conditions or types of behavior. Descriptive research is a scientific method of investigation in which data is collected and analyzed in order to describe the current conditions, terms or relationships concerning a problem (Mugenda and Mugenda 1999).

3.3 Target Population

Target population as defined by Borg and Crall (1959) is a universal set of the study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. This study targeted 500 employees working in the Five Star Beach Hotels in South Coast, Mombasa. The population was distributed as follows:

Table 3.1 Target Population

Hotel	No. of employees	Percentage
Leopard Beach Hotel	150	30
Indian Ocean Beach Club	120	24
Diani Reef Resort and Spa	230	46
TOTAL	500	100

(Source: Researcher 2012)

3.4 Sampling Design and sample size

According to Kuul (1984) sampling is the process by which a relatively small number of individuals, objects or events is selected and analyzed in order to find out something about the entire population from which was selected. Mugenda and Mugenda (2003) recommend that when the target population is large, a representative sample of 30% can be used to generalize the findings. A sample is a small proportion of the targeted population selected using some systematic form.

This research used stratified random sampling because first, it enables generalization of a larger population with a margin of error that is statistically determinable and also gives the employees equal opportunity to participate (Mugenda and Mugenda, 2003). Strata of top management, middle and operational staff was used. This design is recommended by Orodho (2004) when the population is not homogenous. Out of the 10 hotels the researcher randomly selected three which is 30 % and is a representative sample. These include Leopard Beach hotel, Diani Reef Beach Club and Indian Ocean Beach Resort and Spa. Secondly, the researcher used simple stratified sampling because the population is not homogeneous. It targeted all top managers because they were few. The lottery method was used to identify respondents as recommended by Kombo and Tromp (2006). This criterion guarantees the researcher diversity, representative ness, knowledge and accessibility in the samples taken for the study. The sample size was 20% of the target population. It was as follows:

Table 3.2 Sample Size

Population Category	Target Population	Sample Size 20%	Sample Size Percentage
Top Management	24	5	4
Middle Management	58	12	12
Operational staff	418	84	84
Total	500	100	100

Source: Researcher (2012)

3.5 Data Collection

Questionnaires were used in the study as recommended by Kombo and Tromp (2006). Drop and pick method was used. The types of questions included both open and closed ended. Closed ended questions were used to ensure that the given answers are relevant. The research phrased the questions clearly in order to make clear dimensions along which the respondents were analyzed. In open ended questions, space was provided for relevant explanations to be provided by the respondents, thus giving them freedom to express their feelings. This method ensured confidentiality (Orodho, 20003). The presence of the researcher was not required as the questionnaire was self-administered.

3.5.1 Validity of Research Instruments

The researcher obtained authority from relevant departmental sections of the organizations to circulate the questionnaires. To ensure validity, questionnaires were pre tested on five respondents. These respondents were not included in the final study. The questionnaires were then corrected and edited before the final distribution.

3.7 Reliability of Research Instruments

Mugenda and Mugenda (2003) define reliability as a measure of the degree to which a research instrument yields consistent results or data after repeated trials. The reliability of the instruments was tested during piloting. The research instrument was piloted in five star hotels in South coast, Mombasa. Gall et al (2004) observed that piloting was important as it helped identify misunderstandings, ambiguities and useless or inadequate items.

3.6 Data Analysis

According to Baily (1984), data analysis procedure includes the process of packaging the collected information, putting it in order and structuring its main components in a way that the findings can be easily and effectively communicated. Data collected through questionnaires was both qualitative and quantitative in nature. Qualitative data was collected using open-ended questions and analyzed through content analysis. On the other hand, quantitative data was collected using closed-ended questions in the questionnaire. The data was coded, edited and analyzed with the aid of Statistical Package for Social Sciences (SPSS) computer software. The study used descriptive statistic of the mean and standard deviation. The results were presented using tables and charts.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

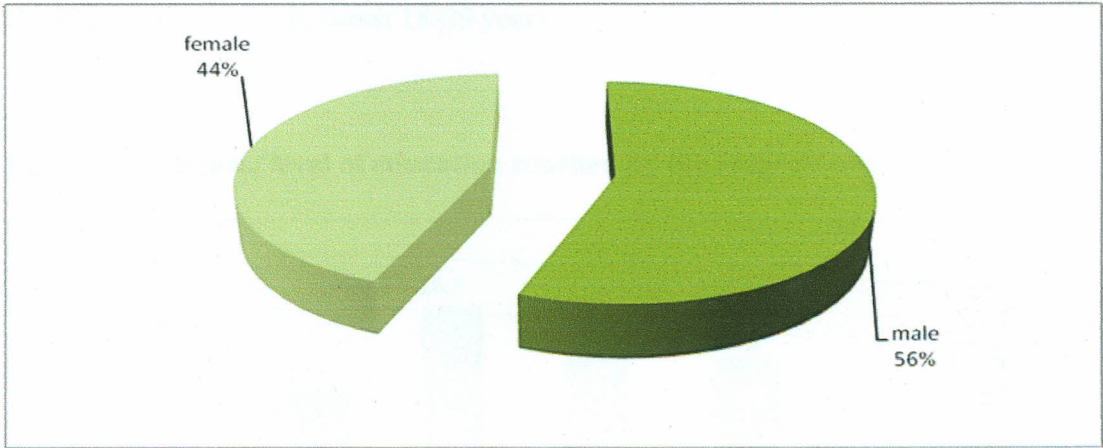
This chapter presents analysis and findings of the study as set out in the research methodology. The study findings are presented on to establish the factors that influence employee performance in the five star beach hotels in South coast, Mombasa. The data was gathered exclusively from the questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study.

4.1.1 Response rate

The study targeted 100 respondents in collecting data with regard to the factor that influence employee performance in the five star beach hotels in South coast, Mombasa. From the study, 87 out of the 100 sample respondents filled-in and returned the questionnaires making a response rate of 87%. This reasonable response rate was made a reality after the researcher made personal calls and visits to remind the respondent to fill-in and return the questionnaires.

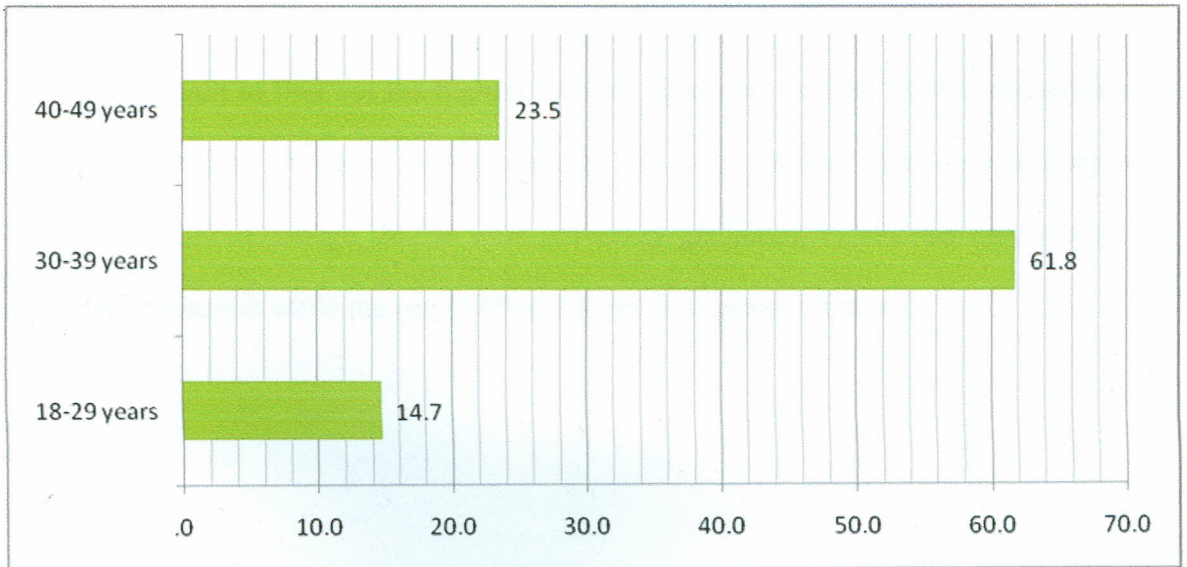
4.2 Demographic Data

Figure 4.1: Gender of the respondents



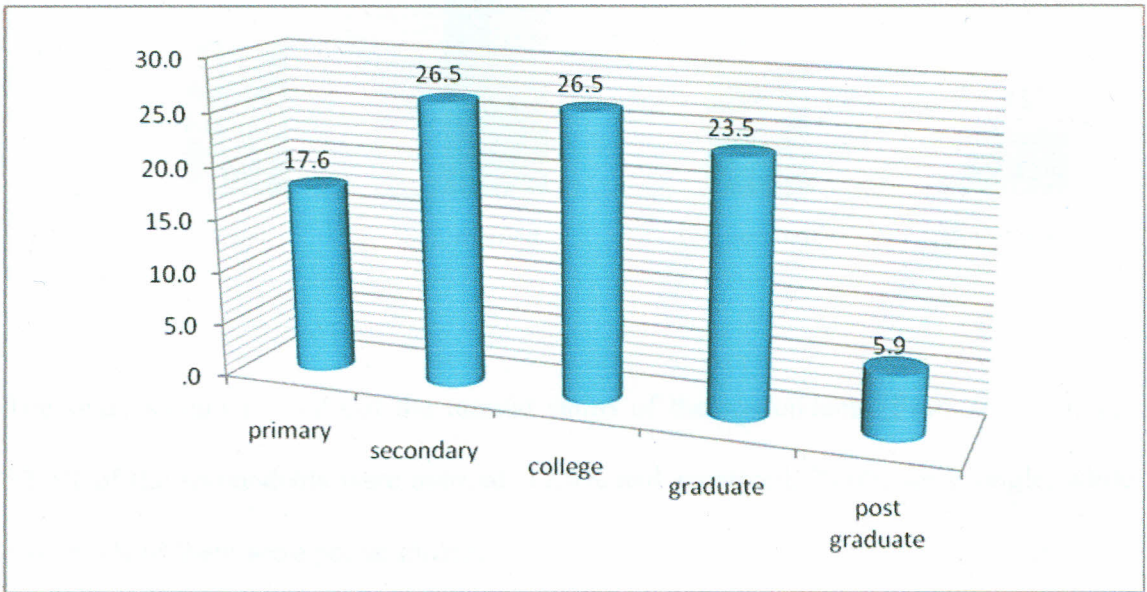
According to the findings, 56% of the respondents were male, while 44% of the respondents were female.

Figure 4. 2: Age of the respondents



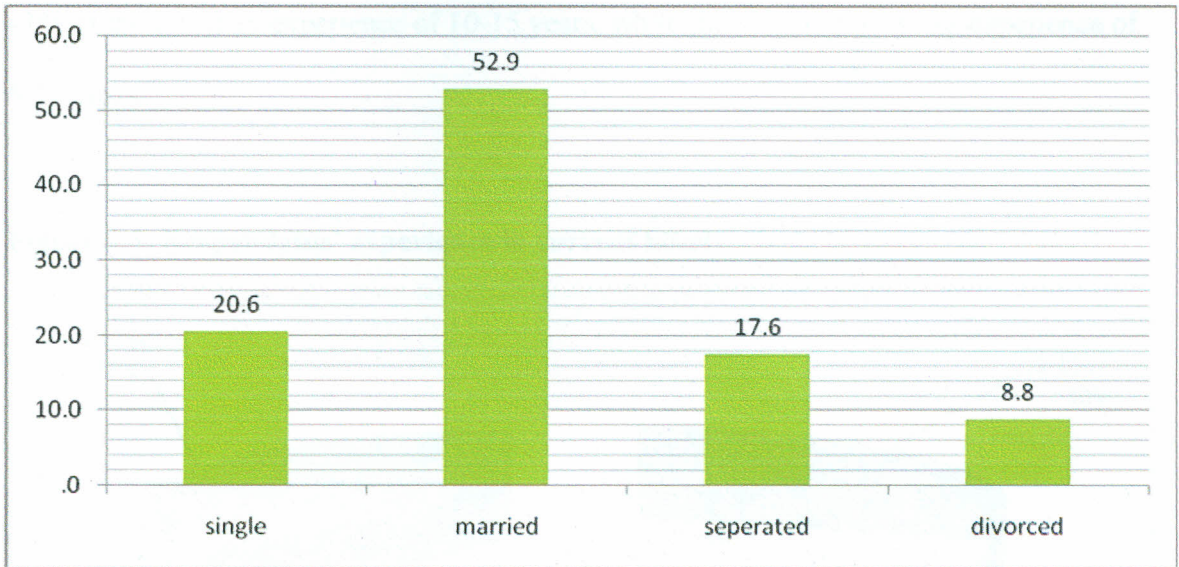
The study sought to find out the age of the respondents. From the findings, 61.8% of the respondents were between 30-39 years, 23.5% were between 40-49 years, while the rest (14.7%) of them were between 18-29 years.

Figure 4.3: Highest level of education reached by the respondents



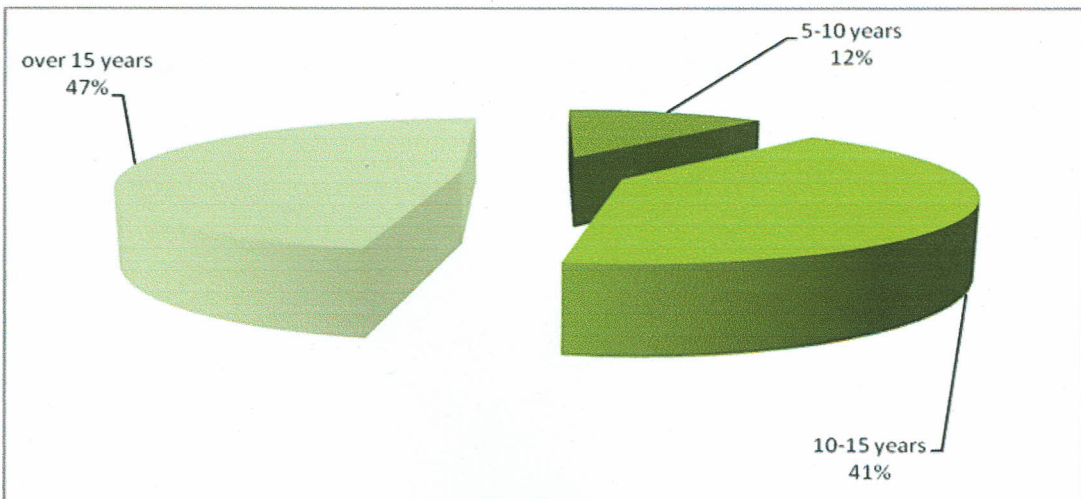
The study sought to find out the highest level of education reached by the respondents. From the findings, 26.5% of the respondents had only attained secondary education, 26.5% had reached college, 26.5% were university graduates, 17.6% had only attained secondary education while the rest (5.9%) of them were postgraduates.

Figure 4.4: Marital status of the respondents



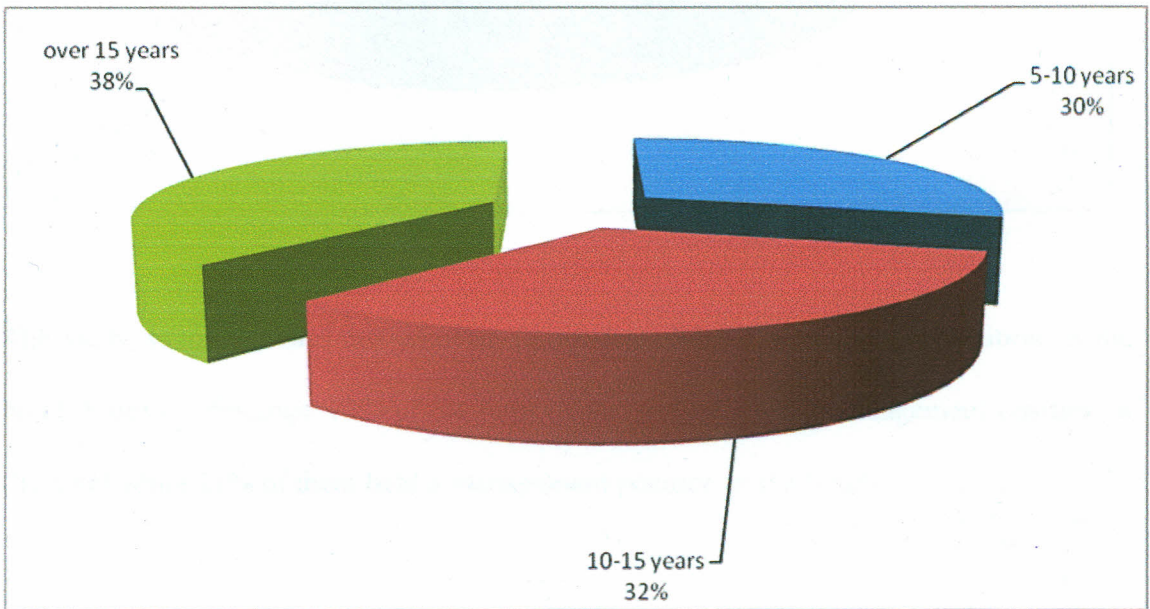
The study sought to find out the marital status of the respondents. From the findings, 52.9% of the respondents were married, 17.6% had separated, 20.6% were single, while only 8.8% of them were postgraduates.

Figure 4.5: Respondents' experience in the hotel sector



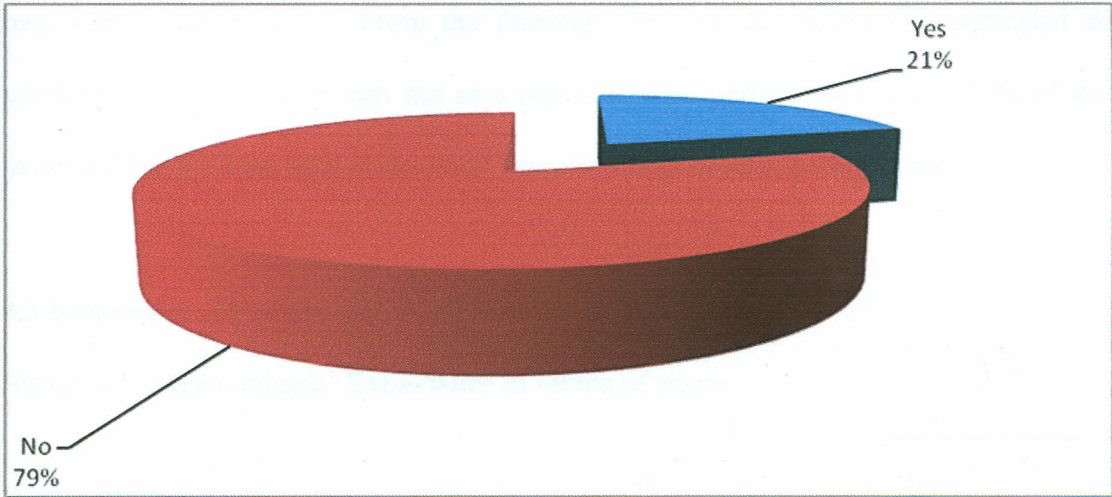
According to the findings, 47% of the respondents had an experience of over 15 years, 41% of them had an experience of 10-15 years, while the rest (12%) had an experience of 5-10 years.

Figure 4.6: Respondents' experience in current hotel



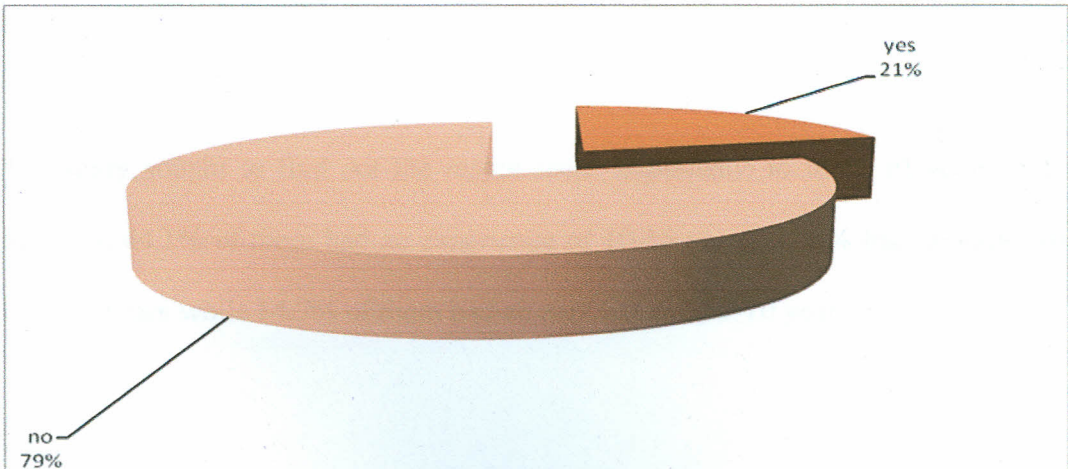
According to the findings, 38% of the respondents had an experience of over 15 years in current hotel, 32% of them had an experience of 10-15 years in current hotel, while the rest (30%) had an experience of 5-10 years in current hotel.

Figure 4.7: Whether respondents held a management position



The study sought to find out whether respondents held a management position in the hotel. From the findings, 79% of the respondents did not hold a management position in the hotel while 21% of them held a management position in the hotel.

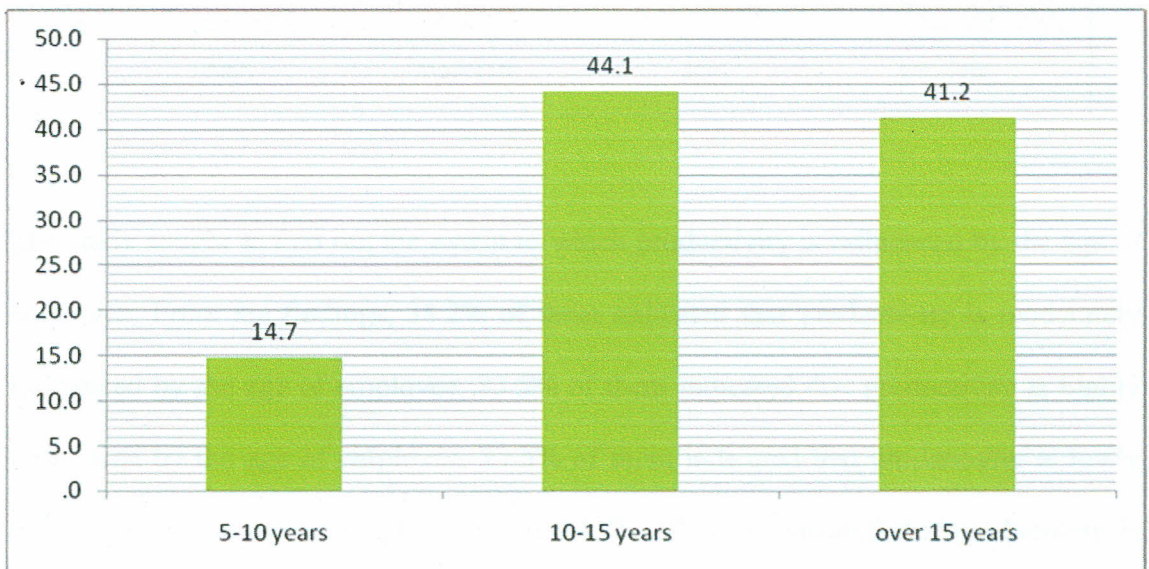
Figure 4.8: Whether position held is as a result of respondents' performance



The study sought to find out whether position held in the hotel was as a result of respondents' performance. From the findings, 79% of the respondents indicated that position held in the hotel was not as a result of their performance while 21% of them indicated that position held in the hotel was as a result of their performance

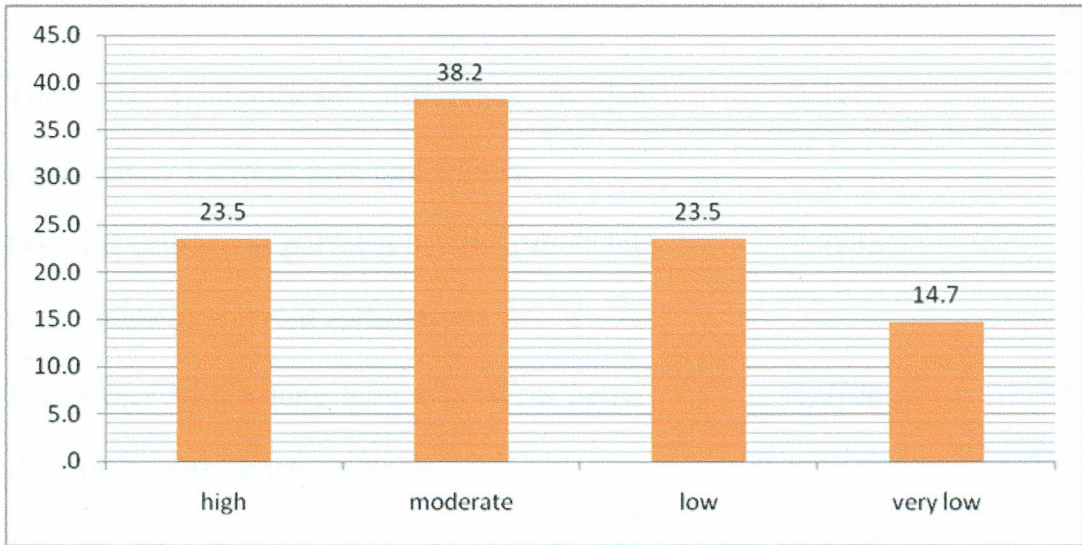
4.3 Biographical Factors and Performance

Figure 4.9: Respondents' Experience in terms of years



The study sought to find out the respondents' experience in terms of years. From the findings, 44.1% of them had an experience of 10-15 years, 41.2% had an experience of over 15 years while 14.7% of them had an experience of 5-10 years.

Figure 4.10: Extent to which productivity is influenced by the age of employee



The study sought to find out the extent to which productivity is influenced by the age of employee. From the findings, 38.2% of them indicated that productivity is moderately influenced by the age of employee, 23.5% of them indicated that productivity is highly influenced by the age of employee, 23.5% of them indicated that productivity is lowly influenced by the age of employee while 14.7% of them indicated that productivity is influenced by the age of employee to a very low extent.

Table 4.1: Extent to which various statements regarding biographical characteristics and performance are applicable to respondents' organization

	Mean	Stdev
There is a significant difference in job productivity between men and women.	2.4118	.95719
Married employees perform better in their job than their unmarried colleagues.	2.5882	.89163
Employees with a long tenure perform better than those with shorter tenures.	1.9706	.86988
Age and job performance are not related	2.4118	1.07640

The study sought to find out the extent to which various statements regarding biographical characteristics and performance are applicable to respondents' organization. From the findings, it was established that employees with a long tenure perform better than those with shorter tenures to a moderate extent as shown by a mean of 1.9706; that there is a significant difference in job productivity between men and women to a moderate extent as shown by a mean of 2.4118; that age and job performance are not related to a moderate extent as shown by a mean of 2.4118 and that married employees perform better in their job than their unmarried colleagues to a low extent as shown by a mean of 2.5882.

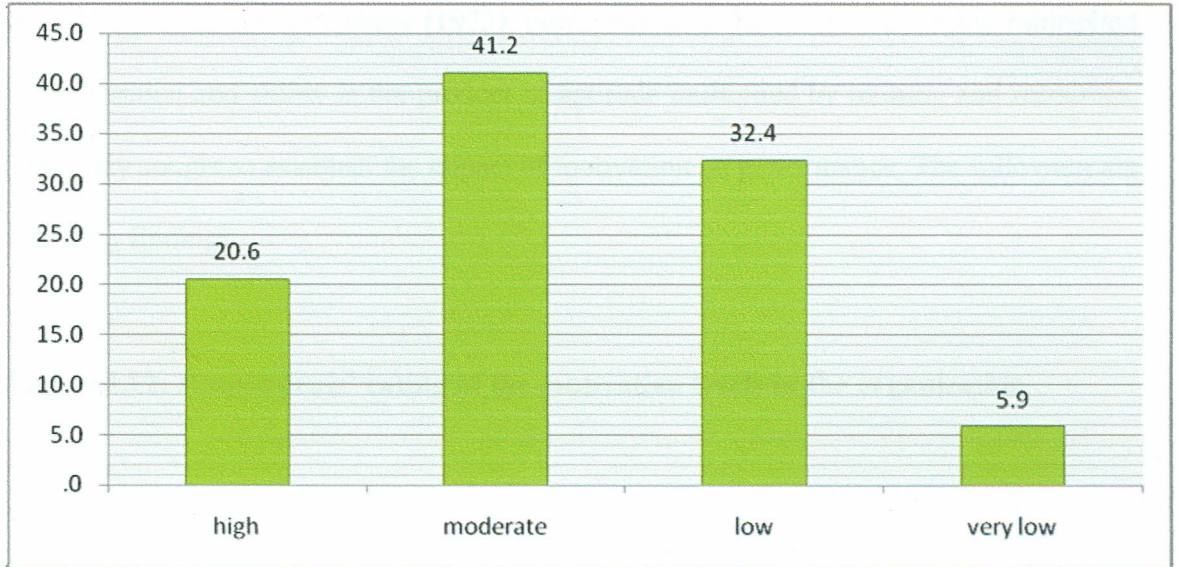
4.4 Effect of Abilities on Performance

Table 4.2: Respondents' opinion towards various statements on the effect of Abilities on Performance

	Mean	Stdev
Rate the IQ levels of the employees in the organization.	2.0294	.62694
How would you rate the IQ of employees who excel in their jobs?	1.8235	.83378
Both physical and intellectual abilities should be balanced for employees to perform well.	2.2353	.55371
How would you rate your physical abilities as per the requirements of the job?	2.1765	.93649

The study sought to find out the respondents' opinion towards various statements on the effect of Abilities on Performance. From the findings, respondents moderately rated the IQ of employees who excel in their jobs as shown by a mean of 1.8235, respondents moderately rated IQ levels of the employees in the organization as shown by a mean of 2.0294, respondents moderately rated their physical abilities as per the requirements of the job as shown by a mean of 2.1765, and that both physical and intellectual abilities should be balanced for employees to perform well to a moderate extent as shown by a mean of 2.2353.

Figure 4.11: Extent to which respondents are satisfied with abilities they possess

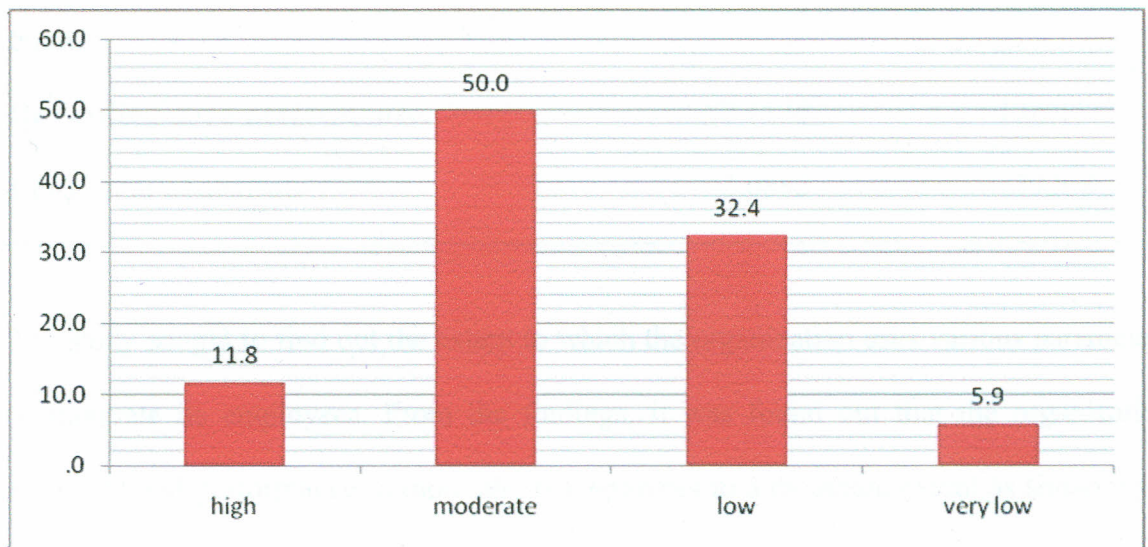


The study sought to find out the extent to which respondents are satisfied with abilities they possess. From the findings, 41.2% of them indicated that they are moderately satisfied with abilities they possess, 32.4% of them indicated that they are to a low extent satisfied with abilities they possess, they are to a high extent satisfied with abilities they possess while 5.9% of them indicated that they are satisfied with abilities they possess to a very low extent.

4.5 Motivation and Performance

According to Lawler and Maier (1973), performance is the product of ability multiplied by motivation and ability is the product of aptitude multiplied by training and resources. The study sought to establish the impact of motivation on performance. The following are the study findings.

Figure 4.12: Respondents' rating of the motivation levels in the organization



The study sought to find out the respondents' rating of the motivation levels in the organization. From the findings, 50% of them rated motivation in the organization to a moderate extent, 32.4% of them rated motivation in the organization to a low extent, 11.8% of them rated motivation in the organization to a high extent while 5.9% of them rated motivation in the organization to a very low extent.

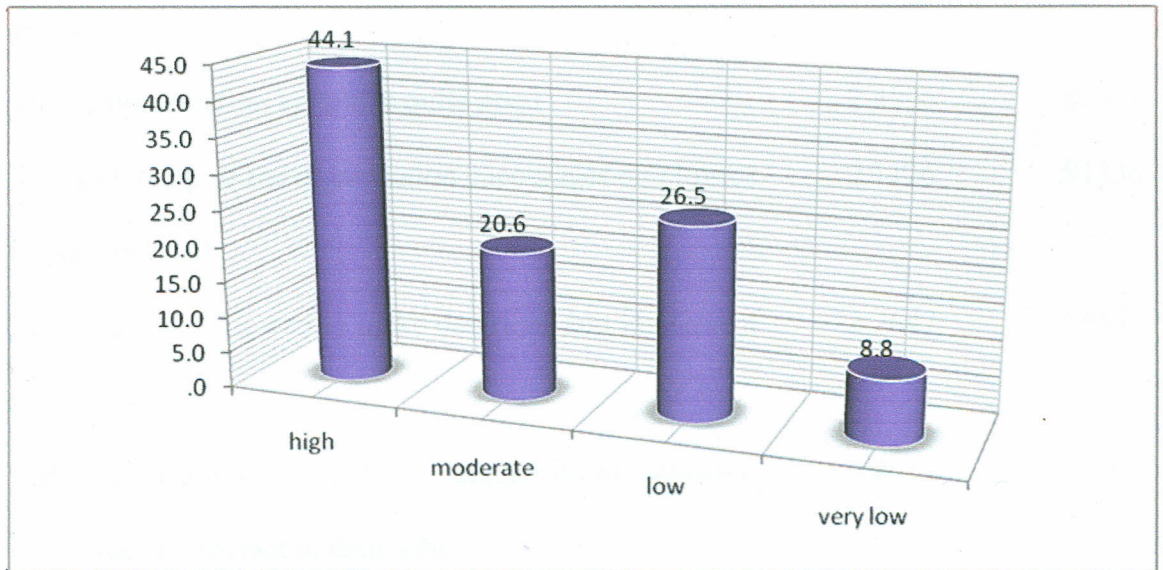
Table 4.3: Extent to which the organization uses various parameters to motivate its employees

Parameter	Mean	Stdev
Competitive salaries.	2.4118	.89163
Adequate working conditions.	2.4706	.82518
Job security.	2.6176	.85333
Incentives.	2.1471	.85749
Allowing employees to make their own goals.	3.2647	.93124
Rewarding good performance.	2.1176	1.09447
Long term appraisal.	3.0882	.79268

The study sought to find out the extent to which the organization uses various parameters to motivate its employees. From the findings, it was found out that the organization rewards good performance to motivate its employees to a moderate extent as shown by a mean of 2.1176; that the organization used incentives to motivate its employees to a moderate extent as shown by a mean of 2.1471; that that the organization used competitive salaries to a moderate extent as shown by a mean of 2.4118; that the organization provided adequate working conditions to motivate its employees to a moderate extent as shown by a mean of 2.4706; that the organization enhanced Job security to motivate its employees to a moderate extent as shown by a mean of 2.6176; that the organization used Long term appraisal to motivate its employees to a moderate extent as shown by a mean of 3.0882; and that the organization allowed employees to

make their own goals to motivate its them to a moderate extent as shown by a mean of 3.2647.

Figure 4.13: Extent to which motivation and performance are correlated



The study sought to find out the extent to which motivation and performance are correlated. From the findings, 44.1% of the respondents indicated that motivation and performance are correlated to a high extent, 26.5% of the respondents indicated that motivation and performance are correlated to a low extent, 20.6% of the respondents indicated that motivation and performance are correlated to a moderate extent while 8.8% of them indicated that motivation and performance are correlated to a very low extent.

4.6 Organizational Factors and Employee Performance

Table 4.4: Extent to which the organization avails various benefits to its employees

Statement	Mean	Stdev
The organization has good working conditions e.g. staff houses, adequate facilities, provision physiological needs and so on.	2.0588	.60006
The communication system is quite good	2.4706	.82518
The leadership of the organization encourages employees to perform well	2.1176	.91336
Employees are allowed to make decisions and implement new ideas.	3.2647	.86371
The organizational culture is decentralized allowing employees to interact in their jobs	3.2059	.88006

The study sought to find out the extent to which the organization avails various benefits to its employees. From the findings, it was found out that the organization has good working conditions e.g. staff houses, adequate facilities, provision physiological needs and so on to a moderate extent as shown by a mean of 2.0588; that the leadership of the organization encourages employees to perform well to a moderate extent as shown by a mean of 2.1176; that the communication system is quite good to a moderate extent as shown by a mean of 2.4706; that the organizational culture is decentralized allowing employees to interact in their jobs to a moderate extent as shown by a mean of 3.2059

and that employees are allowed to make decisions and implement new ideas to a moderate extent as shown by a mean of 3.2647.

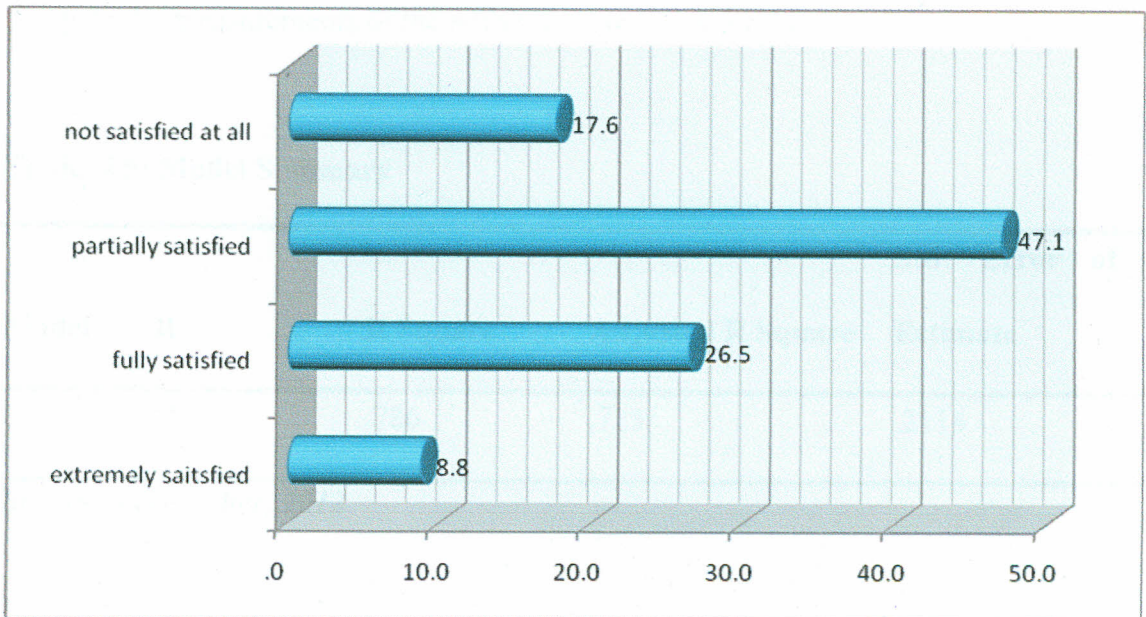
Figure 4.14: Respondents rating of communication system in the organization



The study sought to find out the respondents rating of communication system in the organization. From the findings, 47.1% of them indicated that communication system in the organization was fair, 32.4% of them indicated that communication system in the organization was good, 17.6% of them indicated that communication system in the organization was poor while 2.9% of them indicated that communication system in the organization was very good.

4.7 General Performance

Figure 4.15: Whether respondents are satisfied with their performance in the organization



The study sought to find out whether respondents are satisfied with their performance in the organization. From the findings, 47.1% of them indicated that they are partially satisfied with their performance in the organization, 26.5% of them indicated that they are fully satisfied with their performance in the organization, 17.1% of them indicated that they are not satisfied at all with their performance in the organization while 8.8% of them indicated that they are extremely satisfied with their performance in the organization.

4.8 Regression Analysis

In addition, the researcher conducted a linear multiple regression analysis so as to test the relationship among variables (independent) on the Performance of employees. The researcher applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study.

Table 4.5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.809	.786	.723	.2114

Source: Researcher, 2012

Coefficient of determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (Performance of employees) that is explained by all the four independent variables (Biographical Factors and Performance, Abilities, motivation and organizational factors).

The four independent variables that were studied, explain only 78.6% of the Performance of employees as represented by the R^2 . This therefore means that other factors not studied in this research contribute 21.4% of the Performance of employees. Therefore, further research should be conducted to investigate the other factors (21.4%) that affect Performance of employees.

Table 4.6: ANOVA^b

Model		Sum of		Mean Square	F-	
		Squares	Df		calculated	Sig.
1	Regression	1.342	4	.254	13.85	.0035
	Residual	99.970	93	1.244		
	Total	109.685	97			

Source: Researcher, 2012

The significance value is .0035 which is less than 0.05 thus the model is statistically significant in predicting Biographical Factors and Performance, Abilities, motivation factors and organizational factors. The F critical at 5% level of significance was 3.23. Since F calculated is greater than the F critical (value = 13.85), this shows that the overall model was significant.

Table 4.7: Multiple regression analysis

Model		Unstandardized		Standardized		Sig.
		Coefficients		Coefficients	t	
		B	Std. Error	Beta	t	
1	(Constant)	2.976	1.384		0.978	0.003
	Biographical Factors					
	and Performance	0.877	0.159	0.897	0.997	0.000
	Abilities	0.588	0.085	0.455	0.707	0.005
	Motivation Factors	0.705	0.145	0.326	0.769	0.002
	Organizational factors	0.299	0.210	0.297	0.539	0.008

Source: Researcher, 2012

The researcher conducted a multiple regression analysis so as to determine the relationship between y and the four variables. As per the SPSS generated table 4.8, the equation

$(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon)$ becomes:

$$Y = 2.976 + 0.877X_1 + 0.588X_2 + 0.705X_3 + 0.299X_4 + \varepsilon$$

Where Y is the dependent variable (Performance of employees), X_1 is the Biographical Factors and Performance variable, X_2 is Abilities variable, X_3 is motivation factors variable and X_4 is organizational factor.

According to the regression equation established, taking all factors into account (Biographical Factors and Performance, Abilities, motivation factors and organizational factors.) constant at zero, Performance of employees will be 2.976. The data findings analyzed also show that taking all other independent variables at zero, a unit increase in Biographical Factors and Performance will lead to a 0.877 increase in Performance of employees; a unit increase in Motivation factors will lead to a 0.588 increase in Performance of employees, a unit increase in organizational factors will lead to a 0.97 increase in Performance of employees. This infers that Biographical Factors and Performance contribute more to the Performance of employees followed by motivation factors.

At 5% level of significance and 95% level of confidence, Biographical Factors and Performance had a 0.000 level of significance; Abilities showed a 0.005 level of significant, motivation factors showed a 0.002 level of significance, organizational factors had a 0.008 level of significance; hence the most significant factor is Biographical Factors and Performance.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter provides the summary of the findings from chapter four, and it also gives the conclusions and recommendations of the study based on the objectives of the study. The objectives of this study were to assess the factors that influence the performance of employees in the five star beach hotels in South coast, Mombasa.

5.2 Summary of the Findings

The study aimed at assessing the factors that influence employee performance in the five star beach hotels in South coast, Mombasa.

5.2.1 Biographical Factors and Performance

It was found out that productivity is moderately influenced by the age of employee; that employees with a long tenure perform better than those with shorter tenures to a moderate extent; that there is a significant difference in job productivity between men and women to a moderate extent; that age and job performance are not related to a moderate extent and that married employees perform better in their job than their unmarried colleagues to a low extent.

5.2.2 Effect of Abilities on Performance

It was also found out that respondents moderately rated the IQ of employees who excel in their jobs, that respondents moderately rated IQ levels of the employees in the organization, respondents moderately rated their physical abilities as per the requirements of the job, that both physical and intellectual abilities should be balanced for employees to perform well to a moderate extent and that employees are moderately satisfied with abilities they possess.

5.2.3 Motivation and Performance

From the study, employees rated motivation in the organization to a moderate extent. It was observed that the organization rewards good performance to motivate its employees to a moderate extent; that the organization used incentives to motivate its employees to a moderate extent; that that the organization used competitive salaries to a moderate extent; that the organization provided adequate working conditions to motivate its employees to a moderate extent; that the organization enhanced Job security to motivate its employees to a moderate extent; that the organization used Long term appraisal to motivate its employees to a moderate extent; that the organization allowed employees to make their own goals to motivate its them to a moderate extent and that motivation and performance are correlated to a high extent

5.2.4 Organizational Factors and Employee Performance

It was found out that the organization has good working conditions e.g. staff houses, adequate facilities, provision physiological needs and so on to a moderate extent; that the

leadership of the organization encourages employees to perform well to a moderate extent; that the communication system is quite good to a moderate extent; that the organizational culture is decentralized allowing employees to interact in their jobs to a moderate extent and that employees are allowed to make decisions and implement new ideas to a moderate extent and that communication system in the organization was fair.

5.3 Conclusion

The study concludes that productivity is moderately influenced by the age of employee; that employees with a long tenure perform better than those with shorter tenures to a moderate extent; that there is a significant difference in job productivity between men and women to a moderate extent; that age and job performance are not related to a moderate extent and that married employees perform better in their job than their unmarried colleagues to a low extent.

The study also concludes that the IQ of employees who excel in their jobs is moderately rated in the organization, the IQ levels of the employees in the organization is also moderately ranked, employees moderately rated their physical abilities as per the requirements of the job, and that both physical and intellectual abilities should be balanced for employees to perform well to a moderate extent and that employees are moderately satisfied with abilities they possess.

The study further concludes that motivation in the organization was moderate; that the organization rewards good performance to motivate its employees to a moderate extent; that the organization used incentives to motivate its employees to a moderate extent; that the organization used competitive salaries to a moderate extent; that the organization provided adequate working conditions to motivate its employees to a moderate extent; that the organization enhanced Job security to motivate its employees to a moderate extent; that the organization used Long term appraisal to motivate its employees to a moderate extent; that the organization allowed employees to make their own goals to motivate its them to a moderate extent and that motivation and performance are correlated to a high extent

Finally, the study concludes that the organization has good working conditions e.g. staff houses, adequate facilities, provision physiological needs and so on to a moderate extent; that the leadership of the organization encourages employees to perform well to a moderate extent; that the communication system is quite good to a moderate extent; that the organizational culture is decentralized allowing employees to interact in their jobs to a moderate extent and that employees are allowed to make decisions and implement new ideas to a moderate extent and that communication system in the organization was fair.

5.4 Recommendations

Since productivity is moderately influenced by the age of employee, the organization should retain and motivate employees with a long tenure, as employees with a long tenure perform better than those with shorter tenures. The organization should also hire

more men than women as men tend to be more productive than women. Further, since unmarried employees perform better in their job than their married colleagues the study recommends the organization to hire more of unmarried employees to increase on job productivity.

The study also recommends the balancing of both physical and intellectual for employees to perform well. The abilities, both physical and intellectual should be nurtured through motivation and continued training to increase on job productivity.

The study further recommends the organization to motivate its employees to a great extent as motivation was directly proportional to job productivity; this could be through rewarding good performance, offering incentives, offering competitive salaries, provide adequate working conditions, enhance Job security and adopt long term appraisal to motivate its employees. The organization should also allow employees to make their own goals to motivate them since motivation and performance are correlated to a high extent

The organization should provide good working conditions e.g. staff houses, adequate facilities, provision physiological needs and so on; ensure there is effective leadership in the organization which encourages employees to perform well; ensure that the communication system is quite good; ensure the organizational culture is decentralized allowing employees to interact in their jobs to a moderate extent and allow employees to make decisions and implement new ideas.

5.5 Recommendations for further studies

This study investigated the factors that influence employee performance the five star beach hotels in South coast, Mombasa. To this end therefore, a study should be staged on to find out if the same findings hold for other sectors and also to establish other factors influencing employee performance.

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APPENDICES

Appendix I: Questionnaire

Please answer questions by putting a tick [√] in the appropriate box or by writing in the space provided.

SECTION A: BIO DATA.

1. What is your gender?

- (a) Male [] (b) Female []

2. What is your age?

- 18-29 years [] 30- 39 years []
40-49 years [] 50 years and above []

3. What is your highest Level of education?

- (a) Primary [] (b) Secondary []
(c) College [] (d) Graduate []
(e) Post Graduate []

4. What is your Marital Status?

- (a) Single [] (b) Married []
(c) Separated [] (d) Divorced []

5. For how long have you worked in the hotel sector?

- (a) < 5 years [] (c) 10-15 years []
(b) 5-10 years [] (d) >15 years []

6. For how long have you worked in this hotel?

- (a) < 5 years [] (c) 10-15 years []

(b) 5-10 years [] (d) >15 years []

7. Do you hold a management position?

(a) Yes [] (b) No []

8. Is that position a result of your performance?

(a) Yes [] (b) Yes []

SECTION B: BIOGRAPHICAL FACTORS AND PERFORMANCE

9. What is your experience in terms of years?

(a) 0-5 [] (b) 5-10 []

(c) 10-15 [] (d) over 15 []

10. In your opinion, what is the extent to which productivity is influenced by the age of the employee?

(a) High [] (b) moderate []

(c) Low [] (d) very low []

11. The table below represents statements regarding biographical characteristics and performance. Indicate the extent to which they are applicable to your organization by ticking on the appropriate column.

No.	Statement	High	Moderate	low	Very low
i)	There is a significant difference in job productivity between men and women.				

ii)	Married employees perform better in their job than their unmarried colleagues.				
iii)	Employees with a long tenure perform better than those with shorter tenures.				
iv)	Age and job performance are not related				

SECTION C: EFFECT OF ABILITIES ON PERFORMANCE

15. Indicate your opinion toward the statements below. Put a tick against the response that best describes your opinion.

No	Statement	High	Moderate	Low	Very low
a)	Rate the IQ levels of the employees in the organization.				
b)	How would you rate the IQ of employees who excel in their jobs?				
c)	Both physical and intellectual abilities should be balanced for employees to perform well.				
d)	How would you rate your physical abilities as per the requirements of the job?				

12. To what extent are you satisfied with abilities that you possess?

- (a) High [] (b) Moderate []
(c) Low [] (d) Very low []

SECTION D: MOTIVATION AND PERFORMANCE

13. How would you rate the motivation levels in the organization?

- (a) High [] (b) Moderate [] (c) Low [] (d) Very Low []

14. Using the table below rate the extent to which the organization uses each of the parameters listed to motivate its employees.

No	Parameter	High	Moderate	Low	Very low
i)	Competitive salaries.				
ii)	Adequate working conditions.				
iii)	Job security.				
iv)	Incentives.				
v)	Allowing employees to make their own goals.				
vi)	Rewarding good performance.				
vii)	Long term appraisal.				

15. To what extent is motivation and performance correlated?

- (a) High [] (b) Moderate []
(c) Low [] (d) Very low []

SECTION E: ORGANIZATIONAL FACTORS AND EMPLOYEE PERFORMANCE

16. The table below presents statements regarding organizational factors and employee performance. Indicate the extent to which the organization avails each by ticking on the appropriate column.

No	Statement	High	Moderate	Low	Very low
i)	The organization has good working conditions e.g. staff houses, adequate facilities, provision physiological needs and so on.				
ii)	The communication system is quite good				
iii)	The leadership of the organization encourages employees to perform well				
iv)	Employees are allowed to make decisions and implement new ideas.				
v)	The organizational culture is decentralized allowing employees to interact in their jobs				

17. How would you rate the communication system in the organization?

- (a) Very good [] (b) Good [] (c) Fair [] (d) Poor []

SECTION F: GENERAL PERFORMANCE

18. Are you satisfied with your performance in the organization?

- (a) Extremely satisfied []
- (b) Fully satisfied []
- (c) Partially satisfied []
- (d) Not satisfied at all []

Give a reason for your answer.....
.....

19. Generally, how would you describe the performance of the employees in the organization?

.....
.....

20. Would you suggest ways of improving performance so as to meet the customer's aspirations?

Appendix II: Proposed Research Time Schedule

ACTIVITY	TIME
1. Proposal writing/presentation.....	6 weeks
2. Proposal corrections and amendments.....	2 weeks
3. Pilot study.....	1 week
4. Data collection.....	2 weeks
5. Data editing and coding.....	2 weeks
6. Data entry.....	1 week
7. Data analysis.....	1 week
8. Report writing.....	1 week
9. Submission.....	1 week

Appendix III: Research Budget

Cost of proposal	
Printing 33 pages @ Ksh 20.....	660
Photocopying 5 copies @ Ksh 60.....	300
Binding 5 copies @Ksh 100.....	500
Traveling expenses.....	5, 000
Projected cost of research	6,400
Traveling expenses.....	6,000
Accommodation.....	10, 000
Printing 4 pages of interview schedule @ Ksh 10.....	40
Photocopying 200 pages of interview schedule @ Ksh 2.....	200
Cost of processing data.....	8,000
Data analysis.....	6,000
Cost of processing final document	30,240
Printing 75 pages @ Ksh 20.....	1,500
Developing five copies and binding @ Ksh 500.....	2,500
GRANT	
TOTAL.....	40,900
10%	
contingency.....	4,900
Total	
cost.....	45,800

Appendix IV: Letter of introduction

School of Business

Kenyatta University

P.O. Box 43844-00100

Nairobi

Dear Respondent,

RE: COLLECTION OF SURVEY DATA

I am a post graduate student at Kenyatta University, pursuing a master's degree in Business Administration. Part of the course requires that a research be carried out for fulfillment of the requirements of the degree programme.

I am carrying out a research on the topic, 'FACTORS INFLUENCING EMPLOYEE PERFORMANCE IN FIVE STAR HOTELS IN SOUTH COAST, MOMBASA).'

Kindly assist me collect the data by filling in the attached questionnaire.

The information you provide will be used for academic purposes only and will be treated with utmost confidentiality

Your cooperation will be highly appreciated.

Yours faithfully

Sarah W. Joshua