Factors That Influence Employee Performance: The Case of Fairmont Norfolk Hotel

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Abstract: The purpose of this study was to determine factors that influence employee performance at the Fairmont Norfolk Hotel. The following research questions guided this study: To what extent does remuneration impact employee performance at the Fairmont Norfolk Hotel? To what extent does creativity impact employee performance? To what extent does training and development impact employee performance at the Fairmont Norfolk Hotel? A descriptive survey research design was adopted for this study. A sample size of 74 was drawn from the targeted population using a stratified random sampling technique. Moreover, a self-administered structured questionnaire was used to collect the data. Further, statistical methods such as descriptive statistics; mode, median and mean as a measure of central tendency and measures of dispersion such as quartiles, percentiles, variance, standard deviation and range were used to analyze the data. Moreover, inferential statistics T-test was used to determine the factors that influence employee performance. The findings regarding the impact of remuneration on employee performance showed that, employees generally agreed that if they are given good salaries and bonuses plus their remuneration being paid on time, their performance at the organization is positively impacted.

Key words: Influence, Performance, Employee, Remuneration, Creativity, Training and Development.

I. INTRODUCTION

Background of the Study
An organization’s long term success will depend on how it sustains the deliverance of high quality services and products (Owen, Mundy, Guild and Gulid, 2011). However, despite the fact that sustaining high performance is a competence that is learnable, it is a significant concern that many organizations are still unable to sustain this high performance. There are three main reasons underlying this concern. First, the organization’s vision and strategy are not well supported by the organizational processes and systems as a result thereof, the organization focuses and measures issues which are wrong or rather irrelevant. Second, not having a clear understanding of the marketplace in which the organization is to compete by the senior management. Should this be the case, then the mission, vision and strategies of the organization become inappropriate. Finally, the misalignment of the behavior required to effectively implement the strategy of the business with the marketplace requirements and customer. This is so true for employee behavior or management (Kaliprasad, 2006).

On another note, the current situation in the hotel industry is characterized by increased competition and consequently demands effective operational decision-making processes based on sufficient information on performance. As a consequence, the different services that usually play a vital role in hotels ought to be well analyzed and similarly their performance ought to be measured too. This is so true especially for the front-office services such as the direct customer relationship management and so is the back-office services, such as the facility management, which take place without direct interaction with the customer but are of the same importance (Gomez, Yasin and Lisboa, 2008). In any instance, there is an increased need for management tools and performance measurement that aid the assessment of the success of organizational objectives and the development of organizational strategies (Cruz, 2007).

Further, the hotel has played a principal part in Kenya's flamboyant history, and it remains to be the profligate finest-known hotel in Nairobi, Kenya. The urban and soon after the city of Nairobi developed around the hotel, still having its topic gardens which is private. The historical landmark hotel in Nairobi remains the traditional point of start for the African safaris and the Lord Delamere Terrace is the contemporary Nairobi's prevalent gathering place, where drinks and light meals are continuously served from morning until evening. Not to remark the modern Tatu restaurant, a breathtaking disparity contrary to the themed Victorian elegant...
property; and the Cin Cin Wine Bar, which has a marvelous wide array of Intercontinental spirits and wines (Fairmont Norfolk Hotel, 2014).

**Statement of the Problem**

Previous studies have done quite a bit to address factors that influence employee performance. A study carried out by Barney (1991) revealed that, the level of performance of employees relies not only on their actual skills but also on the level of motivation each person exhibits. Motivation is an inner drive or an external inducement to behave in some particular way, typically a way that will lead to rewards. Dessler (2003) observed that, over-achieving, talented employees are the driving force of all organizations so it is essential that, organizations strive to motivate and hold on to the best employees. The quality of human resource management is a critical influence on the performance of the institution.

Linz (1990) also revealed that, several studies have found that there are positive relationship between intrinsic motivation and job performance as well as intrinsic motivation and job satisfaction. This is significant to institutions in today's highly competitive business environment in that, intrinsically motivated employees will perform better and therefore, be more productive and also because satisfied employees will remain loyal to their institution and feel no pressure or need to move to a different institution.

However, there is still much confusion about which factors really influence employee performance. The question therefore becomes, which factors influence employee performance? This study has focused on identifying clearly the pertinent and most significant discernable factors, established the relationships between such factors, as well as the importance of these factors to the employees.

**II. LITERATURE REVIEW**

**Impact of Remuneration on Employee Performance**

Good remuneration has been found over the years to be one of the policies the organization can adopt to increase their workers performance and thereby increase the organizations productivity. Also, with the present global economic trend, most employers of labor have realized the fact that for their organizations to compete favorably, the performance of their employees goes a long way in determining the success of the organization (Muogobo, 2013). Bussin (2002) believes that, most organizations today have been adjusting and re-arranging themselves in most aspects in order to compete in the 21st century, but that in general remuneration systems have unfortunately been left lagging behind. He suggests that, extra effort is invested in order to allow remuneration and reward policies and strategies to catchup with organizations’ business strategy.

Bussin (2002) continues to propose an evolution of remuneration policies through a consistent process he calls the pay continuum. He describes a model of the pay continuum as having five distinct stages. These stages typically present broad guidelines or indicators of the way through which organizations develop their remuneration policies and the further along the continuum an organization has moved, the stronger and more competitive their remuneration policy becomes. During the first stage, pay is centrally managed by the organization and emphasis is placed on internal equity. Stage two is characterized by the fact that, the pay process has been decentralized by the organization and more emphasis has been placed on the external market. An organization’s pay system has progressed to stage three once performance becomes the focus. Team and organizational unit performance measures are introduced. Stage four is characterized by a pay system that communicates organization’s business goals and requirements. Finally, once pay and reward becomes customer-focused and the team becomes the key organizational performance-based unit, the organization has reached the final stage in remuneration and reward design.

**Impact of Creativity on Employee Performance**

Creativity remains an elusive and intangible contributor to workplace performance and change despite emphases from psycho-economic perspectives (Cohen and Levinthal, 1990; Runco and Rubenson, 1992; Zahra and George, 2002); agreement on the definition of the construct remains unresolved. Although creativity serves as the mantra for organizations competing in the global economy, Florida and Goodnight (2005) point out that, businesses have been unable to pull these notions of creativity together into a coherent management framework despite their assertion that a company’s most important asset is not raw materials, transportation systems, or political influence, it’s creative capital an arsenal of creative thinkers whose ideas can be turned into valuable products and services.

Although Amabile’s (1996) definition of creativity has been widely accepted as the production of novel and useful ideas in any domain. Cowdroy and De Graaff (2005) defined what is understood by the idea of creativity rather than what is meant by the word creativity, providing a mindful view of different venues encompassed in creativity research. The idea of creativity embraces a multiplicity of notions, including imagined (conceptual) ideas, development of schemata such as constructs, analogies and diagrams emanating from the ideas and physical execution of ideas (the activity of making, and performing and creating products
resulting from the ideas such as works of art, manuscripts and performances). Further, creativity has also been described in terms of people, product, environment and process. Within the context of this investigation, creativity is thus defined as the ability to approach the situation at hand with a fresh perspective and link together previously unrelated or uncombined concepts to generate new and unexpected ideas that solve a problem or capture an opportunity (Stegmeier, 2008).

Amabile (1998) asserts that, to encourage creativity organizations need to create a climate that support and enable the creative thinking of employees. In addition, organizations should try to get rid of barriers that might hinder creativity and enhance factors that enable creativity. Further, Andriopolous (2001) identified five major organizational dimensions under which characteristics and behaviors that enhance or inhibit creativity in a work environment. Those dimensions are skills, organizational structure and systems, organizational culture, leadership style and resources and organizational climate.

Basadur and Gelade (2006) maintains that, organizations need to improve performance to capitalize on rapid change and establish or regain a competitive edge and hence creativity becomes important to organizations because, creative contributions can not only help organizations become more efficient and more responsive to opportunities, but also help organizations adapt to change, grow and compete in the global market. Researchers have mentioned that some level of creativity is needed in almost any job (Shalley, Gilson and Blum, 2000; Unsworth, 2001; Ford, 2000). Specifically, creativity influences innovation implementation. For example, when considering the tasks performed by Research and Development professionals, employee creativity is desirable and necessary. Shalley et al., (2004) further indicated that, even for the jobs of cashiers or assembly line workers, an incremental change in how work can be done efficiently is still dependent on employ creativity.

Impact of Training and Development on Employee Performance

Training and development has been acknowledged to be a very important factor of organizational performance. However, it is not an end goal rather training is characterized as a means to an end , the end being productive, efficient work organizations, populated by informed workers who see themselves as significant stakeholders in their organizations’ success (Barney, 1991). Training and development is basically directed at employee but its ultimate impact goes to organization, because the end user of its benefits is the organization itself (Raja et al., 2011).

Many organizations have over the years introduced good manpower training and development strategies in order to enhance better employee performance at work and increase their productivity. However, the efforts of such strategies in most cases have always been jeopardized in most organizations, as a result of some factors that impede against the achievement of their objectives. Some of the impeding factors include recruitment/selection problems, training procedure and inadequate facilities, government policy, the economy and labor legislation (Nguyen, 2009). Further, Heathfield (2012) assert that, the right development, education and employee training at the right time, usually bring big payoffs for the organization in relation to increase in knowledge, productivity, contribution and loyalty.

In regards to the above, Brody (1987) quotes a Motorola company spokesperson as saying “we have documented the savings from the statistical process control methods and problem solving methods we have trained our people in. We run a rate of return of about 30 times the dollars invested – which is why we have gotten pretty good support from senior management”. This is a clear indication that, a systematic and well planned training and development policy that is well executed would surely bring returns to the organization in cost savings (reducing in waste and scrap for example, increased productivity and so on), employee effectiveness and efficiency and the list could go on and on.

III. RESEARCH METHODOLOGY

This study used the descriptive survey research design. A descriptive study is concerned with finding out who, what, where, when or how much? Descriptive studies are structured with clearly stated hypothesis or investigative questions and they serve a variety of study objectives which include: making descriptions of phenomena or characteristics associated with a subject; making estimates of the proportions of a population that have these characteristics and also discovery of associations among different variables which is sometimes referred to as a correlation study, a subset of descriptive studies (Cooper and Schindler, 2011). Hence, a descriptive survey research was appropriate for this study because this study was concerned with finding out factors that influence employee performance at the Fairmont Norfolk Hotel.

IV. RESULTS AND FINDINGS

Impact of Remuneration on Employee Performance

The mode or the most frequent score of the respondents in relation to the above factors was 4. The range or difference between the highest and lowest score was 4. The average deviation of the sample means from the

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populati on mean for employees being paid on time by the employer was 0.122, while the bonus given by the employer when goals are achieved had a standard error of 0.101 and finally, on the degree to which employees are motivated by salaries and wages was 0.107 (standard error of the mean).

The measure of the average deviation of each score from the mean for employees being paid on time by the employer was 1.045, while for the bonus given by the employer when goals are achieved was 0.868 and finally the degree to which employees are motivated by salaries and wages had standard deviation of 0.921 (standard deviation). The measure of asymmetry in the distribution of scores for employees being paid on time by the employer was -1.590, while for the bonus given by the employer when goals are achieved was -1.524 and finally, the degree to which employees are motivated by salaries and wages had a skewness of -1.567 (skewness).

The results showed that the significance level of all the remuneration factors was 0.000 (P<0.05) which is within the acceptable level. This means that remuneration had an impact on employee performance.

Impact of Creativity on Employee Performance

This question sought to find out the degree to which employees feel they are recognized by the hotel if they show creativity in their work.

The findings showed that 56.8% of respondents agreed that they are recognized by the hotel when they show some level of creativity while 20.3% strongly agreed. The total cumulative percentage of all those respondents in agreement with this statement was 77.1.

The findings showed that that 60.8% of the respondents agreed that the hotel has an out of the box outlook and a go for it attitude and 20.3% of the respondents strongly agreed to this statement. The total cumulative percentage of all those respondents in agreement is 81.1.

The findings showed that 44.6% of the respondents agreed that the hotel encourages a dynamic flow of Ideas while 35.1% of the respondents strongly agreed. The total cumulative percentage of all the respondents who agreed that the hotel encourages a dynamic flow of ideas is 79.7.

The results showed that, the average response of respondents on the factor of recognition for creativity by the employer was 3.86 (Agree). This therefore showed that most of the respondents agreed that recognition for creativity by employer had an influence on their performance. Further, the degree to which the hotel had an out of the box outlook and a go for it attitude had an average response of 3.96 meaning that the respondents agreed that this factor indeed had an influence on employee performance. To finish off, the degree to which the hotel encourages a dynamic flow of ideas had an average response rate of 4.07 which is the highest among the three factors meaning that this factor indeed influenced employee performance.

The mode or most frequent score of the respondents in relation to the above factors was 4. The range or difference between the highest and lowest score was 4. The average deviation of the sample means from the population mean for recognition for creativity by employers was 0.104, while the degree to which the hotel had an out of the box outlook and a go for it attitude had a standard error of 0.089 and lastly, the degree to which the
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The hotel encourages a dynamic flow of ideas had a standard error of 0.109 (standard error of the mean). The measure of the average deviation of each score from the mean for recognition for creativity by employers was 0.896, while the degree to which the hotel has an out of the box outlook and a go for it attitude had a standard deviation of 0.766 and the degree to which the hotel encourages a dynamic flow of ideas had a standard deviation of 9.41 (standard deviation). The measure of asymmetry in the distribution of scores for recognition for creativity by employers was -1.135, while the degree to which the hotel had an out of the box outlook and a go for it attitude had a skewness of -1.056 and lastly, the degree to which the hotel encourages a dynamic flow of ideas had a skewness of -1.353 (skewness).

The results showed that the significance level of all the creativity factors was 0.000 (P<0.05) which is within the acceptable level. This means that creativity had an impact on employee performance.

### Table 4.1 One-Sample Test

<table>
<thead>
<tr>
<th>Test Value = 0</th>
<th>T</th>
<th>Df</th>
<th>Sig. (2tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognition for Creativity</td>
<td>37.092</td>
<td>73</td>
<td>.000</td>
<td>3.865</td>
<td>3.66 - 4.07</td>
</tr>
<tr>
<td>Degree to Which the Hotel Has an Out Of the Box Outlook and a Go for It Attitude</td>
<td>44.442</td>
<td>73</td>
<td>.000</td>
<td>3.959</td>
<td>3.78 - 4.14</td>
</tr>
<tr>
<td>Degree to Which the Hotel Encourages A Dynamic Flow of Ideas</td>
<td>37.178</td>
<td>73</td>
<td>.000</td>
<td>4.068</td>
<td>3.85 - 4.29</td>
</tr>
</tbody>
</table>

The findings showed that 70.3% of the respondents agreed that the hotel provided training for its employees and 21.6% of the respondents strongly agreed to this statement. The total cumulative percentage of all those in agreement that the hotel provides training for its employees was 91.9. The findings showed that 56.8% of respondents agreed that the training and development opportunities were visibly linked to the strategic path of the hotel and 32.4% of the respondents strongly agreed. The total cumulative percentage of all the respondents in agreement with the statement was 89.2.

The findings showed that 41.9% agreed that there were opportunities for them to learn new skills and cross train and 48.6% strongly agreed. The total cumulative percentage of all the respondents in agreement with the statement was 90.5.

### Impact of Training and Development on Employee Performance

The results established that, the average response of respondents on the factor of training provided by the hotel was 4.11 (Agree). This therefore shows that most of the respondents agreed that the training provided by the employer had an influence on their performance. Further, the factor of linking training and development opportunities to strategic path of the hotel had an average response of 4.15 meaning that, the respondents agreed that this factor indeed had an influence on employee performance. On the degree to which the employees are inspired to take initiative in determining their own career development had an average response rate of 4.30 and finally the opportunities for employees to learn new skills and cross train had an average response of 4.39 meaning that, this factor indeed influenced employee performance.

The average deviation of the sample means from the population mean for training provided by the hotel was 0.071, while the factor of linking training and development opportunities to strategic path of the hotel was 0.094, on the other hand, the degree to which the employees are inspired to take initiative in determining their own career development had a standard error of 0.099 and finally, opportunities for employees to learn new skills and cross train was 0.077 (standard error of the mean). The measure of the average deviation of each score from the mean for training provided by the hotel was 0.610, while for the factor of linking training and development opportunities to strategic path of the hotel was 0.806, on the other hand, the degree to which the employees are inspired to take initiative in determining their own career development had a standard deviation of 0.856 and finally opportunities for employees to learn new skills and cross train had a standard deviation of 0.658 (standard deviation). The measure of asymmetry in the distribution of scores for training provided by the hotel was -1.411, while the factor of linking training and development opportunities to strategic path of the hotel was -1.411. Further, the degree to which the employees are inspired to take initiative in determining their own career development had a skewness of -1.699 and finally, opportunities for employees to learn new skills and cross train had a skewness of -0.624 (skewness). The results showed that the significance level of all training
and development factors was 0.000 (P<0.05) which is within the acceptable level. This means that training and development had an impact on employee performance.

V. DISCUSSIONS & CONCLUSIONS

Discussions

Impact of Remuneration on Employee Performance

The findings indicated that 85.1% of the respondents were in agreement that the employer always pays them on time and that this had an impact on their performance. This is in agreement with Muogobo (2013) who argued that, good remuneration that is paid at the right time had been found over the years to be one of the policies the organization can adopt to increase their workers performance and thereby increase the organizations productivity.

The findings showed that 93.2% of the respondents believed that the benefits offered by the hotel had an impact on their level of performance. This finding is in agreement with Henderson, (2006); and Williams, (1995) who said that further research in this area reveals that distributing benefit types properly may directly influence individual outcomes, especially job performance. For example, medical benefits, official duty claims and promotion are identified as the most important benefit types. If these benefits are properly allocated based on job and performance, this can lead to an enhanced job performance in organizations.

The findings showed that 86.5% of the respondents are in total agreement that they are given a bonus by the employer when they achieve their set goals and that this had an impact on their performance. This finding is in agreement with those of Dohmen and Falk (2007) who stated that, the impact of giving employees a bonus is that employees reminded themselves month after month that their efforts and hard work will be rewarded at the end of the year. A company that gives its employees bonuses is bound to motivate them to perform highly. More so, according to McNamara (2008), employers pay performance bonuses to employees who achieve satisfactory or high ratings during their annual performance appraisals. An incentive-based bonus links the amount of the payment to the level of performance. Furthermore, Mwita (2002) concluded by stating that, the performance incentive bonus scheme is the logical process by which an organization includes its employees, as individuals and team members, in refining organizational effectiveness in the achievement of organizational goals and mission. This information is further backed up by Kanji (2005) who stated that, performance Incentive Bonus Scheme is a pillar of any individual life and organization. He further stated that, once employees appreciate what needs to be done and when and why/what is to be done, then the organization will achieve its goals and employees will feel empowered.

The findings indicated that 85.2% of the respondents were in total agreement that the wages and salaries paid to them by their employer motivated them to perform better. This goes in agreement with the observation made by Rynes et al., (2004) that money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value. It has the supremacy to maintain, motivate and magnetize employees towards higher performance. Further, Panwar and Gupta (2012) goes ahead and asserted that, salaries are the most obvious motivational factor. Employees are usually competing for positions that offer the most accessible and quickest reward. At times, other motivational factors may be sacrificed by the employees inorder to attain job satisfaction. This is why whenever any opportunity arises in another hotel in relation to good pay he or she moves.

Impact of Creativity on Employee Performance

The findings indicated that 93.2% of respondents agreed that they are given an opportunity to be creative by their employer. This concurred with the findings of Amabile (1998) that, to encourage creativity organizations need to create a climate that supports and enables the creative thinking of employees. In addition, organizations should try to get rid of barriers that might hinder creativity and enhance factors that enable creativity. Further, Andriopoulos (2001) identified five major organizational dimensions under which characteristics and behaviors that enhance or inhibit creativity in a work environment. These dimensions are skills, organizational structure and systems, organizational culture, leadership style and resources and organizational climate.

The findings indicated that 55.4% of respondents agreed that they are rewarded by their employer when they show some level of creativity. This is in agreement with the observation made by Amabile (1998) who wrote that, creativity is truly enhanced when an entire organization supports it. Senior people therefore, must put in place appropriate structures and systems which emphasis that creative effort is a top priority within the organization. She proposed that, organizations that aim to support creativity should consistently reward it, taking care to avoid using money to pay people to come up with innovative ideas. Amabile also suggested that, organizational leaders need to minimize infighting, politicking and gossiping as they are particularly damaging to creativity. She argued that, this sort of negativity can have severe consequences for creative contribution.
The findings indicated that 77.1% of respondents agreed that they are recognized by the organization when they show some level of creativity and that this had an impact on their performance. This concurred with the findings of Danish and Usman (2010) that, intrinsic rewards like recognition growth, feedback and opportunities for promotion lead employees greatly towards high job performance and satisfaction.

The findings showed that 81.1% of the respondents agreed that the hotel had an out of the box outlook and a go for it attitude and that this had an impact on their performance. This agrees with Carmeli and Schaubroeck (2007) argument that, an organization that encouraged employees to think out of the box will at the same time be giving opportunity to these employees to perform better. Further, without innovative and out of the box leadership, organizations are likely to struggle. This new call for out of the box thinking represents the shift from the 20th century, view of traditional organizational practices, that discourages employee innovativeness to the 21st century view which values innovative thinking that is potentially powerful and which influences employee and organizational performance.

**Impact of Training and Development on Employee Performance**

The findings indicated that 89.2% of respondents agreed that, the training and development opportunities are visibly linked to the strategic path of the hotel and that this had an impact on their performance. This agrees with Colombo *et al.*, (2008) observation that, it is common knowledge that the organizational training program (when there is one) should be aligned with organizational overall objective. Once those goals have been stated, a weak placement means it is going to have a low efficiency, high costs, low morale and low employee performance. Further, Apospori *et al.*, (2008) suggested that, one of the best kept secrets in modern management is how to align the training program with organization’s strategic path and how to measure the arrangement. Traditional methods do not succeed since they focus on what “The Manager” (or the teacher) wants. It is common knowledge that the organizational training program (when there is one) should be aligned with organizational overall objective.

The findings indicated that 91.8% of the respondents agreed that, they were inspired to take initiative in determining their career development and that this had a direct impact on their performance. These findings are in line with those made by Nguyen (2009) that, an effective learning organization gives all members a motive to progress, creating an atmosphere where employees are not scared of failure and providing resources to enable them learn better. If you do not have such an organization, you should go back to the drawing board and recheck if you are amongst the fortunate ones, you would still require a training program and a training program administrator (Abeeha and Bariha, 2012).

The findings showed that 90.5% of the respondents agreed that, there were opportunities for them to learn new skills and cross train in the organization and this positively impacted their performance. Thus is in agreement with the argument of Raja *et al.*, (2011) that, an organization that provides opportunity for employees to learn new skills and cross train with others, directly increases on the performance of those employees. Moreover, one very important responsibility of a supervisor or manager is to help your staff with their career development and professional. This is usually done by creating opportunities for them to develop skills, tools, the knowledge, resources, opportunities and abilities to be victorious in their careers and job.

**VI. CONCLUSIONS**

A conclusion on this research question can be made by stating that, it was discovered that remuneration had a very strong impact on how well employees performed at the hotel. Respondents generally agreed that, if they are given good salaries and bonuses plus their remuneration being paid on time, their performance at the organization is positively impacted. It was discovered that the degree to which the organization embraced creativity had a strong impact on the employee performance. Respondents strongly agreed that, if the organization recognizes their creativity, embraces an out of the box attitude and encourages a dynamic flow of ideas, their performance is positively impacted and their level of productivity increases. Respondents highly agreed that training and development at the hotel impacted their performance. Most of the respondents were in agreement that the hotel providing an opportunity for training, linking the training and development to the strategic path of the hotel and inspiring employees to take initiative in determining their own career development, had a positive impact on their overall performance at the hotel.

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