

# THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

## Employee Empowerment Practices and Performance of Star-Rated Hotels in Kenya: Moderating Effect of Working Conditions

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### **Abstract:**

Employees are significant resources in any organization; thus, they can make or break an organization. Therefore, successful organizations are cognizant of ways to engage and empower employees. The main objective of this study was to explore the influence of employee empowerment practices and the performance of star-rated hotels in Kenya. The specific objectives were: Involvement and participation, Training and development, and Information sharing. The moderating variable was working conditions, while the dependent variable was the performance of star-rated hotels in Kenya. The theories used to support the study variables were: Structural empowerment theory and Herzberg's two-factor theory. The study used a descriptive research design; the target population was 180 star-rated hotels, and a sample of 116 star-rated hotels was selected from each hotel region using stratified random sampling. A structured questionnaire was used to collect primary data. Collected data was analyzed using a statistical package for social science version 23. Descriptive and Inferential statistics, correlation and linear regression were used to measure the relationship between dependent and independent variables. Multiple regression analysis was used to determine the moderating effect of working conditions on the independent variable employee empowerment and dependent variable performance of star-rated hotels. The study results show that employee empowerment had a significant and positive relation with the performance of star-rated hotels in Kenya. The correlation results indicated ( $r= 0.374$ ) between working conditions and employee empowerment. The descriptive statistics results indicated, with a mean average of 3.72 and a standard deviation of 0.952, that employee empowerment practices had a significant and positive relationship with the performance of star-rated hotels in Kenya. Similarly, the inferential statistics indicated that with the introduction of working conditions as the moderating variable between employee empowerment and the performance of star-rated hotels in Kenya, employee empowerment still had a significant influence on the performance of star-rated hotels in as the  $\beta_1$  was 0.451 ( $p$ -value =.026) before the introduction of moderating variable. While  $\beta_2$  was 0.248 ( $p$ -value = 0.008) after the introduction of the moderating variable working conditions.

**Keywords:** Employee empowerment, working conditions, performance of star-rated hotels in Kenya

### **1. Introduction**

According to Jumah and Nthiga (2022), employee empowerment is a procedure used by managers to grant authority, power, obligations, resources and liberty to workers in order to enable them to make decisions and solve workplace problems. Employee empowerment is, therefore, meant to eliminate borders between management and employees by creating a feeling of trust between employees and management. Odera, Egessa and Oseno (2019) further explained that employee empowerment is a means of delegating responsibilities to employees in order for them to make decisions and complete a task. In addition, employee empowerment gives employees the right to adopt methods they see fit to complete a given job. In addition, employee empowerment enables employees to identify what type of duties and responsibilities have been delegated to them. This gives them a sense of self-confidence, drive, and purpose to be able to finish their work on time. Some of the methods that organizations can use to empower employees include employee involvement and participation, training and development, and information sharing.

Abubakar, Elrehail, Alatailat, and Elçi (2019) found out that involvement and participation are management initiatives in which employees are given the opportunity to take part in making decisions that relate to their work or discuss issues to influence managerial decisions. Similarly, Onyebuchi, Isaac and Henry (2020) further reveal that

involvement and participation influence are shared among individuals who are otherwise hierarchically unequal. It is a course of action that allows employees to exercise influence over their work and the conditions under which they work. The factors that determine involvement and participation include: employee work experience and the nature of work to be done. Odinga, Matata and Monari (2023) report that employee involvement and participation allow employees to use power delegated to them in performing their regular work tasks within the framework of organizational policies and procedures. This indicates that employees are seen as valuable assets capable of contributing towards organizational objectives. Ali and Anwar (2021) explained that the benefits of employee involvement and participation in an organization include a high level of employee commitment and efficiency, low levels of employee turnover and increased employee loyalty towards the organization and its values. In addition, Amor, Xanthopoulou, Calvo, and Vázquez (2021) organizations can improve employee empowerment through the provision of training and development programs which enable employees to gain capabilities, knowledge, and skills relevant to their work and the organization. Training thus contributes to employee empowerment by ensuring that employees gain the right skills and information relevant to their jobs. Alvi and Kayani (2020) also note that training is designed to educate and empower employees on how to take ownership of their efforts, develop a sense of personal accountability, and demonstrate initiative. Training covers aspects such as communication, problem-solving, team building and customer service. Bae, Nam and Lee (2020) explained that training and development as a tool for empowerment motivates employees to participate more actively in their work, and this improves their confidence level. Further, it suggests that the training should focus on improving the quality of work, decision-making, and employee relations. Qatawneh (2023) also notes that employee empowerment through training and development gives employees the authority to do their tasks effectively while developing skills that continue to make them valuable assets to their organization.

Njenga, Ngugi and Odhiambo (2020) describe information sharing as an organizational procedure that ensures relevant information is shared between employees or passed on to employees by their managers at the right time. Andrea and Wanyoike (2024) found out that it is important to share knowledge about organizational services, thoughts and task procedures between employees to enable them to perform their tasks well. In the absence of such information, employees who feel left out could be tempted to leave the organization, and if they leave, the organization loses the employee and their credibility to maintain status as an organization with a reputation of having competitive and knowledgeable workers. Yeboah (2023) reports that despite the challenges faced by organizations in implementing information-sharing practices, there are certain aspects that ensure employees are able to share their skills with their fellow employees. Such factors include openness, where employees prefer to share their skills and experiences with others. Secondly, channels of interaction between employees, especially when they are working on tasks together. The methods used to share information or messages include emails and one-on-one interactions. Trust is also a major factor in knowledge sharing as it creates good relationships between employees. Hence, they engage in knowledge sharing. Lastly, prior work experience helps in effective knowledge sharing between employees as it is used to explore new knowledge in the organization. Alzoubi *et al.* (2023) explain that employee empowerment is essential to improving employee relations in organizations as it creates a good impression about the employer and increases employees' enthusiasm towards work, thus making them remain loyal to the organization. In addition, employee empowerment makes employees feel valued and comfortable in the workplace. This makes them understand their respective roles, integrate better, and improve both their individual performance and overall organizational performance as well.

### 1.1. Statement of the Problem

Performance is an organization's ability to utilize its scarce resources in pursuit of its operational objectives. Therefore, organizations that empower employees through training and development, information sharing, involvement and participation and delegation of authority. This makes employees innovative and motivated and gives them their best by exhibiting positive behaviors and offering satisfactory performance (Elziny & Hany, 2021). Kenya's hotel industry is a labor-intensive sector that highly depends on employees to offer their best service quality to customers and hence they need to empower their employees well. However, according to Bibi *et al.* (2020), star-rated hotels have not given sufficient attention to implementing effective employee empowerment policies; they also apply a hierarchical, bureaucratic management style where all the decisions are made by top-level managers. This slows down decision-making, which consequently compromises organizational operations and overall performance. Information flow is also inhibited and poorly managed to the disadvantage of subordinates who struggle to obtain necessary information. In addition, previous studies on employee empowerment practices have been done in other sectors of Kenya's economy. i.e. Kagucia's (2020) structural empowerment and job performance in national polytechnics in Kenya. Similarly, Maina and Wamwayi (2021) studied the influence of employee empowerment and performance of small and medium manufacturing firms in Nairobi City County, Kenya. None of the above studies can be able to adequately address employee empowerment practices and performance of star rated hotels in Kenya. Therefore, this study sought to fill this gap by examining the influence of employee empowerment practices and the performance of star-rated hotels in Kenya.

### 1.2. Objectives of the Study

- To determine the influence of involvement and Participation and performance of star-rated hotels in Kenya.
- To establish the influence of training and development and performance of star-rated hotels in Kenya.
- To evaluate the influence of information sharing and performance of star-rated hotels in Kenya
- To establish the moderating effect of working conditions on the relationship between employee empowerment and performance of star-rated hotels in Kenya.

### 1.3. Hypotheses of the Study

- H0<sub>1</sub>: Employee empowerment has no significant influence on the performance of star-rated hotels in Kenya.
- H0<sub>2</sub>: Working conditions do not moderate the relationship between employee empowerment and the performance of star-rated hotels in Kenya.

## 2. Literature Review

### 2.1. Employee Empowerment and Performance of Star-rated Hotels

In any organization, employees need empowerment to be able to respond to problems and make decisions quickly, which will impact positive outcomes for the organization. It develops connections among power, competencies of individuals, operation of activities, social policies, and social changes (Maina & Wamwayi, 2021). In addition, Jocelyne and Kariuki (2020) opine that employee empowerment is related to organizational practices that aim to increase opportunities for participation and involvement in decision-making. It can also be understood in two ways: first, as a series of managerial practices to increase employee autonomy, responsibility and decision-making and second, as an active individual work orientation. Frimpong, Amoako, and Siaw (2023) explained that Employee empowerment is best described as an involvement initiative that encourages decision-making at the bottom by enabling employees to have a level of freedom in decision-making and autonomy with respect to their responsibilities. Thus, it means empowering the state of mind of employees to be in control of the task to be accomplished, aware of the circumstances within which the work is to be done, and have a sense of accountability for their performance and equity with regard to collective or individual performance and rewards. Adan, Zarrar and Zafar (2021) in their study found that employee empowerment positively influences performance. Thus, employee empowerment is critical in the hospitality industry, which is known for its labour-intensive nature and high level of customer interaction. In addition, the hospitality industry relies heavily on its employees to deliver high-quality services and create a positive experience for customers. Even though it is postulated that employee empowerment is a driver of organizational performance, performance is critical for any service organization, and this is due to its ability to create, implement, give a better position in the competitive environment, and achieve superior performance. Therefore, when star-rated hotels become more attached to empowerment and consider it as a cornerstone for effectiveness and efficiency in the organization, it provides them with a unique solution for operational problems and dealing with its clients. Similarly, Frimpong *et al.* (2023) asserted that employee empowerment had been an accredited approach to the overall performance of many star-rated hotels. It enables employees to be creative and innovative, especially when implementing new services, modifying the present services, or providing added value to the present services. Furthermore, the hotel industry is known as one of the most dynamic industries, and this makes hospitality organizations always aware of the idea of modifying and updating their services to accommodate and cater to their customers' needs and wants as well as stay in the competitive environment.

According to Modise (2023), employee empowerment plays a key role in enhancing performance in service sector organizations. This can be clearly shown by providing empowered employees with the chance to be involved with upper-level managers, attaining the power to make decisions, and ensuring that employees are creative and innovative at the workplace. In addition, managers play a critical role in attempting to find an environment where employees can exhibit positive behaviour at work. Therefore, employee empowerment is critical to performance service sector organizations such as star-rated hotels and is considered to be the primary key to succeeding, enlarging, and surviving in the marketplace. Kegoro and Anyango (2020) report that a proper implementation of employee empowerment has been confirmed to be significant in the performance of star-rated hotels; thus, implementing structural empowerment will enable employees to have the power to act freely, decide on behalf of managers, and do new things, and consequently contribute to organization growth and performance. In addition, psychological empowerment will also be achieved by default as long as the implementation of structural empowerment is proper and effective. Consequently, those who are structurally empowered will support the extent to which employees find their jobs meaningful and have the confidence and necessary skills to complete job tasks successfully. Staniulienė and Zaveckis (2022) further note that organizations leadership need to specify how to do the job, and spear-heading organizational change that will enhance performance. Similarly, implementing structural empowerment through the supervisor's support is fundamental to ensuring employee empowerment enhances excellent performance at the workplace. Hieu (2024) explains that empowered employees believe that they have tools, such as autonomy, responsibility, competence, and self-determination. Therefore, they are likely to be creative and innovative and feel less restricted in their work. Therefore, employee empowerment should not only have a magnificent influence on both customers' and employees' affairs but also increase the demand and efforts to enhance performance.

### 2.2. Working Conditions and Performance of Star-Rated Hotels

Anggariani (2024) explained that working conditions are factors that are closely interlinked and have an impact on organizations' overall productivity and performance. The quality of working conditions has a huge impact on employee's level of motivation and performance. Bashir, Amir, Jawaad and Hassan (2020) also described working conditions as important factors that are critical to employee performance, and they include: adequate spacing, adequate lighting, effective equipment and provision of safety gear. Such factors make an employee comfortable at his or her place of work. Cabarcos, Paula and Pinerio (2022) explained that hotel workers are exposed to poor and stressful working conditions, and this has been a major contributor to labour turnover in this industry. Thus, some of the issues addressed to improve working conditions include work environment, supervisor support, equipment, and tools. Sinkey (2024) explained that the

work environment has its effect on employee's productivity. It involves elements such as office arrangement, ventilation, and lighting; they make the working environment comfortable. This, in turn, enhances employee performance and, to an extent, the entire organization. Budi (2024) found out that there are certain factors which are detrimental to an employee's health, such as lack of fresh air circulation, overcrowding and poor lighting. Thus, organizations should ensure that such factors are adequately addressed to enable employees to work in a stress-free environment. In addition, office layout is another factor that directly influences how employees perform their duties; separate office spaces allow employees to work in private compared to an open office layout. Kiiru and Kiiru (2022) classified physical office space into two-office layout and office comfort. Office layout enables employees to work smoothly in an office, while office comfort is meant to match the office environment to the work process. These two, when combined, should provide employees with an adequate work environment that would enable them to perform their work tasks effectively and efficiently. Yattani, Wario, Ombui and Nyangau (2024) described supervisor support as the degree to which supervisors value the contributions and care about the well-being of subordinates who work under them to take measures to help them perform their tasks better. The reason for this support is that supervisors in an organization are in good position to influence employees work attitudes and behaviors as they work with them on a daily basis. Mutege, Mugambi and Kinyua (2023) further explained that first-line supervisors are important for building employee engagement initiatives because they have a duty to direct and evaluate employee's performance through implementing policies and procedures; hence, they motivate employees to be more engaged in their jobs by providing timely and constructive feedback and adopting fair rewards and promotion. In addition, performance feedback between employees and their supervisors involves information exchange where the employee gets to know what he or she is doing right and where there is a need for improvement. Okongo, Riungu and Nzioki (2024) report that supervisors' support can be in the form of emotional or instrumental support, which enables employees to achieve their targets, spread positive attitudes across the organization, and increase employees' awareness of the organization's goals and objectives. Similarly, strong support from supervisors to their employees improves the work environment by relieving employees' stress related to work. In addition, employees who perceive that they receive support from their supervisors often feel obligated to pay back by performing their work duties well to help them achieve their stated goals. Mwasawa and Wainaina (2021) opined that supervisor support involves the encouragement of employees. This support is critical, especially in eliminating or reducing work-related stress (WRS). In addition, supervisor support also plays a role in neutralizing employees' experience of occupational stress.

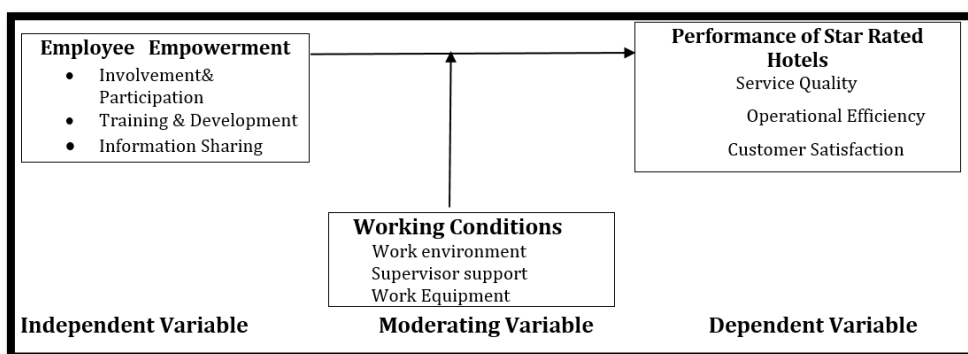


Figure 1: Conceptual Framework

### 3. Research Methodology

The research design for this study was descriptive research design. Makari and Neely (2021) explain that descriptive research design enables the researcher to summarise and organize data in an effective way. It provides tools for describing the collection of statistical observations and reducing information to an understandable form. Apuke (2019) further explain that the role of descriptive research design is to enable a researcher to process the collection of data and then test a hypothesis or answer questions related to the topic under study. The research philosophy for this study was based upon the research philosophical and methodological foundations of logical positivism. Kirongo and Otieno (2020) described a research philosophy or research paradigm as the development of a research background and knowledge that outlines the perceptions, beliefs, and understanding of the theories and practices used to conduct research. The target population for this study was 180 star-rated hotels registered with the tourism and regulatory authority of Kenya. The hotels were grouped into seven regions: greater Nairobi (44), Coast (39), South Rift (41), North Rift (11), Western (14), Eastern (14), and Central (11). Hennink and Kaiser (2022) described a sample size as the subset of a population required to ensure that there is a sufficient amount of information to draw conclusions. A sample size is the total number of subjects in the sample. The sample size for this study was 116 star-rated hotels. The sample size was determined using the Saunders Thornhill and Lewis formula.

#### 3.1. Statistical Measurement Model

In order to investigate the influence of employee remuneration practices and performance of star-rated hotels in Kenya, the study used the following regression model.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Where:

Y= Performance of Star-rated hotels.

$\beta_0$  = Constant

$\beta_1$  = Coefficients of determinant

$X_1$  = Employee Empowerment

$X_2$  = Working Conditions

$\epsilon$  = Error Term

### 3.2. Measuring the Moderating Variable

The moderating variable for this study was working conditions and the study used multiple regression analysis (stepwise method) to establish the moderating effect of working conditions and independent variable employee empowerment, and the dependent variable performance of star rated hotels. The following statistical model was used.

## 4. Research Findings and Discussion

### 4.1. Response Rate

	Frequency	Percent
Responses	106	91.0
No - responses	10	9.0
Total	116	100.0

Table 1: Response Rate

The sample size for this study was 116 star-rated hotels registered with the Tourism Regulatory Authority of Kenya (see table 1). Of the 116 questionnaires distributed, 106 were filled out and returned, representing a response rate of 91.0 % (see table 1). Stedman, Connelly, Heberlin, Decker, and Alfred (2019) report that a response rate of 50% or more is adequate and acceptable for analysis and publishing, 60% and above is good, and 70% is regarded as very good.

### 4.2. Factor Analysis for Employee Empowerment

The conceptualized drivers of employee empowerment were tested through factor analysis to test their relevance in this study.

Kaiser-Meyer Olkin Measure of Sampling Adequacy		.808
Bartlett's Test of Sphericity	406	.640
Approx. Chi-Square		
df.		28
Sig.		.000

Table 2: KMO and Bartlett's Test on Employee Empowerment Measures

The KMO measure of sample adequacy was .808, which indicated that the set of variables was suitable for factorization. Bartlett's test Sphericity was significant (Chi-square 406.640,  $p = 0.000$ ), implying that the variables were suitable for factorization. Depicts the total variance of employee empowerment.

Component	Initial Eigen Values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% Variance	Cumulative %
1	2.344	33.493	33.493	1.787	25.529	25.529
2	1.167	16.667	50.160	1.470	20.999	46.528
3	1.037	14.813	64.973	1.291	18.445	64.973
4	.727	10.387	75.360			
5	.657	9.379	84.739			
6	.542	7.740	92.479			
7	.526	7.521	100.00			

Table 3: Total Variance for Employee Empowerment Measures

The (7) eight measures of employee empowerment were subjected to factor analysis, and the results showed that there were two critical factors driving the use of employee empowerment in star-rated hotels, which accounted for 64.973% of the total variance in this construct. Factor one had the highest variance of 2.344, which accounted for 33.493%. Factor two had a variance of 1.167%, which accounted for 16.667%.

Employee Empowerment Measures	Component	
	1	2
There is an employee involvement and participation policy.		.678
Employees are involved and participate in the decision-making process.		.893
My hotel encourages employees to give their ideas.		.898
My hotel conducts employee training and development for employees	.867	
We conduct training needs assessment before any training sessions.	.987	
Training opportunities are offered to all staff cadres.	.917	

Table 4: Rotated Component Matrix for Employee Empowerment Measures  
Extraction Method: Principal Component Analysis

Rotation Method: Oblimin with Kaiser Normalization a Rotation Converged in 6 Iterations

From the rotated component matrix in a two-factor loading was obtained, explaining 64.973% of the total variance in EE. Factor one was constructing an employee training policy with 0.867, a training needs assessment before any training sessions with 0.987, and training opportunities offered to all staff cadres with 0.917. This factor was renamed Employee Training (ET). This factor involved identifying training opportunities for employees, determining training needs and a star-rated hotel training policy. Factor two had three constructs: employee involvement and participation policy with 0.678, employee involvement in decision-making with 0.893 and exchange of ideas between employees with 0.898. This factor was renamed Employee participation (EP). The results meant that all the constructs in EE were correlated to the two factors.

Measurement	Performance Facilitated by Employee Empowerment Practices	
	Employee Participation	Employee Training
Mean	4.12	4.59
Cronbach's Alpha	0.850	0.902

Table 5: Descriptive Statistics of Employee Empowerment Practice  
Key: 1 - Strongly Disagree, 2 - Disagree, 3 - Neutral, 4 - Agree, 5 - Strongly Agree

In table 5, the factor analysis results indicate that there were two components of employee empowerment linked to driving the performance of star-rated hotels in Kenya. Component one was employee participation, which had an agreed mean of 4.12 and Cronbach's alpha of 0.850. Component two was employee training, which had an agreed mean of 4.59 and a Cronbach's alpha of 0.902, indicating that it was strongly agreed by the respondents. The results concur with Ikima (2023), who found out that organizations that provide their employees with a certain degree of independence and being in charge of their daily routines will certainly see a change in employees' work output and thus enhance overall organization performance in terms of profitability, service quality and customer satisfaction.

#### 4.3. Regression Analysis Results on Employee Empowerment and Performance of Star-Rated Hotels

The results in table 6 show the relationship between employee empowerment and the performance of star-rated hotels. The  $R^2$  value was .733, indicating that employee empowerment explained about 73.3% of the variation of the dependent variable being the performance of star-rated hotels. The  $R^2$  value is an important indicator of the predictive accuracy of the equation. The remaining 26.7% could be explained by other factors in relation to the performance of star-rated hotels. The implication of these findings is that employee empowerment plays a significant role in enhancing the performance of star-rated hotels.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.856 <sup>a</sup>	0.733	0.731	0.2006

Table 6: Regression Analysis Results on Employee Empowerment and Performance of Star-rated Hotels

a. Predictors: Constant, Employee Empowerment

b. Dependent Variable: Performance of star-rated hotels

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. This indicates that the regression

model is statistically significant in predicting the influence of employee empowerment and the performance of star-rated hotels in Kenya. Based on the confidence level at 95%, the results indicated that the F-critical (1,105) was 3.92 while the F-calculated was 285.89, thus a linear positive significant relationship between employee empowerment ( $X_3$ ) and performance of star-rated hotels. In addition, it implied that when there was an increase in employee empowerment, there was also a significant increase in the performance of star-rated hotels.

When the p-value is less than the significance level of 0.05, it confirms the goodness of fit of the model in predicting the influence of employee empowerment on the performance of star-rated hotels.

ANOVA <sup>a</sup>						
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.504	1	11.504	285.89	.000 <sup>b</sup>
	Residual	4.185	104	.040		
	Total	15.689	105			
a. Dependent Variable: Performance of star-rated hotels						
b. Predictors: (Constant), Employee Empowerment						

Table 7: ANOVA<sup>a</sup>

Using the unstandardized coefficients, the following equation applies:

$$Y = 2.401 + 0.452X_3 \dots \dots \dots \text{Equation (3)}$$

The results in table 7 indicate that when employee empowerment is held at constant zero, the performance of star-rated hotels will be at a constant value of 2.401. The beta coefficient ( $\beta_3$ ) of 0.452 showed that a unit increase in employee empowerment ( $X_3$ ) would lead to a 0.452 unit increase in the performance of star-rated hotels. In addition, the study determined that employee empowerment significantly predicted the performance of star-rated hotels,  $t = 16.908$ ,  $p < 0.000$ . These findings indicate that the study rejects the null hypothesis and accepts the alternative hypothesis that employee empowerment influences the performance of star-rated hotels in Kenya.

Coefficient						
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.401	.099		24.374	.000
	Employee Empowerment	.452	.027	.856	16.908	.000
Dependent Variable: Performance of star-rated hotels.						

Table 8: Coefficient

The study results concur with previous studies by Murray and Holmes (2021), who found that employee empowerment has a significant and close relationship with employees' job-related outcomes, such as job satisfaction, job performance, and organizational commitment, the use of their skills and knowledge initiatives to seek solutions to work problems and openly share their ideas and skills with their co-workers. Gede and Huluka (2019), in their study on employee empowerment and organizational performance in public universities in Ethiopia, found that employee empowerment has a significant and close relationship with employees' job-related outcomes such as job satisfaction, job performance and organizational performance. The study further suggests that hotels should use employee empowerment approaches such as job enrichment, authority, delegation, participation and appraisals to empower their employees. In another study by Budi (2024), it was found that employees who are empowered can make a decision, and this will, down the line, enhance service delivery, which saves the organization money and minimizes disputes between the organization and customers. The study further concludes that empowering workers should be done by applying the right practices to provide them with the opportunity to apply creativity to improve organizational performance in terms of service and product delivery. It should also give workers the powers and responsibilities to enhance their self-confidence and freedom to perform the work according to how they see fit without the intervention of direct management. Desta and Mulie (2024), in their study on the effect of empowering leadership practices on employee performance with the mediating role of work engagement: the case of Ethio-telecom, has also found that empowering leadership has a significant positive effect on work engagement of employees at the workplace.

4.4. Multiple Regression Analysis for Employee Empowerment

4.4.1. Moderating Effect of Working Conditions on Employee Empowerment and Performance of Star-Rated Hotels

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.856 <sup>a</sup>	.733	.731	.20060
2	.881 <sup>b</sup>	.777	.770	.18531

Table 9: The Moderating Effect of Working Conditions on Employee Empowerment and Performance of Star-rated Hotels

a. Predictors: (Constant), Employee Empowerment  
 Predictors: (Constant), Working Conditions, Employee Empowerment, M3

Table 9 shows the model summary for the linear regression analysis between working conditions, employee empowerment and performance of star-rated hotels. It indicated an R square of 0.733. This increased to 0.777 when working conditions were introduced into the model as a moderating variable. This shows that both working conditions and employee empowerment can explain a variation of 78% of the dependent variable performance of star-rated hotels.

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.504	1	11.504	285.890	.000 <sup>b</sup>
	Residual	4.185	104	.040		
	Total	15.689	105			
2	Regression	12.186	3	4.062	118.284	.000 <sup>c</sup>
	Residual	3.503	102	.034		
	Total	15.689	105			
a. Dependent Variable: Performance of star-rated hotels						
b. Predictors: (Constant), Employee Empowerment						
c. Predictors: (Constant), Working Conditions, Employee Empowerment, M3						

Table 10: ANOVA

The results in table 10 indicated that F-critical (2, 104) was 2.6802, while the F-calculated was 285.89. With the introduction of the working conditions, the F-value was reduced to 118.284. This shows that the F-calculated was greater than the F-critical, and hence, a linear significant relationship exists between working conditions, employee empowerment, and performance of star-rated hotels. In addition, the p-value was 0.000 for both models, which was less than the significance level  $p = 0.05$ . This confirms the goodness of fit of the model in predicting the influence of working conditions and employee empowerment and performance of star rated hotels.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.401	.099		24.374	.000
	Empowerment	.452	.027	.856	16.908	.000
2	(Constant)	1.523	.725		2.100	.038
	Empowerment	.451	.200	.853	2.252	.026
	Working Conditions	.248	.091	.282	2.725	.008
	M3	-.204	.046	-.232	-4.469	.000
a. Dependent Variable: Performance of Star-rated Hotels						

Table 11: Coefficients

Using the unstandardized coefficient, the following equation applies:

$$Y = 1.523 + 0.451X_3 + 0.248Z - 0.204X_3 * M \dots \dots \dots \text{Equation (8)}$$

Table 11 indicates that with the introduction of working conditions as a moderating variable, employee empowerment still had a significant influence on the performance of star-rated hotels as the beta coefficient ( $\beta_1$ ) was 0.451 ( $p$ -value = .026). However, working conditions had a significant influence on the performance of star-rated hotels, as shown by the beta coefficient ( $\beta_2$ ) was 0.248 ( $p$ -value = 0.008). In addition, there was a significant moderating effect of working conditions on employee empowerment and performance of star-rated hotels.



## 5. Conclusion

The objective of the study was to assess the influence of employee empowerment and the performance of star-rated hotels in Kenya. The indicators of employee empowerment were; Involvement and participation, training and development, and information sharing. The indicators of organization performance were Service quality, efficiency improvement and customer satisfaction. The research findings indicated that involvement and participation, training and development and information sharing had a statistically significant influence on the performance of star-rated hotels in Kenya.

The multiple and regression analysis results indicated that there was a significant and positive relation between measures of employee empowerment (involvement and participation, training and development and information sharing) and organization performance of star-rated hotels in Kenya. Generally, employee empowerment indicators were found to be statistically significant in explaining the influence of employee empowerment practices and the performance of star-rated hotels in Kenya. A regression analysis test was done to determine the moderating effect on the relationship between employee empowerment practices and organization performance in star-rated hotels in Kenya. The results of the coefficients showed that the coefficient of employee empowerment in relation to working conditions had a moderating effect on the relationship between employee empowerment practices and the performance of star-rated hotels in Kenya.

The findings of this study have some implications for the hotel industry, particularly for the top management, which usually formulates policies, and the middle managers, who implement them. The findings show that there is a significant relationship between employee empowerment and the performance of star-rated hotels. Therefore, clear guidelines should be provided to ensure employees know how much latitude is given to them. Employees should be encouraged to give honest feedback about matters concerning their work, and the management should tolerate dissent. The study also found that there is a significant relationship between working conditions and employee empowerment. Thus, managers play an important role in ensuring employees have better working conditions, giving guidance and facilitation. They should provide regular feedback to employees about work environment-related issues and ensure the conditions continuously improve. The study also acknowledges the importance of employee participation. Encouragement from managers and peers will encourage the employees' interest to contribute ideas. Training also has a significant relationship with empowerment; thus, employees should be exposed to different aspects of customer service training not only when they first join the hotel but also continuously in their careers. Experienced employees also should be given chances to conduct training courses for their peers.

## 6. Recommendation

The study recommends that managers should give employees the authority to act and make decisions within star-rated hotels. This is a key component of empowering your workers. It also implies that there is mutual trust and understanding to guarantee that these behaviors are consistent with corporate objectives. In addition, with the right kind of organizational conditions and management support, employees at even the lowest level can have a sense of personal control over their work. Thus, management must know how to tap into their creativity and potential. The development of individual employees must be taken into consideration, especially their capabilities and attitudes, and it must be individualized. Employees who perceive themselves to be empowered are personally involved in self-development. This translates into continuous improvement in the workplace. Management is, therefore, advised to make clear the level of autonomy given to the employees and the employees are advised to work within their limits. A more reflective consideration suggests that claims for employee empowerment need to take account of different definitions and meanings used by managers. These different managerial meanings will be shaped by perceptions and concerns about the needs of the particular operation in question. In addition, managers should encourage more participation in the service interaction by the employee, and the researcher hereby recommends that empowering employees is the best thing to do to gain an edge over competitors. However, the challenges these hotels expressed are common organizational problems that need to be resolved by intensifying education and effective practice of the concept of employee empowerment.

## 7. Suggestions for Further Research

Further studies should be conducted in other service industry organizations, such as the transport sector, to determine the employees' perception of empowerment. A comparative study among employees in different industries could also be conducted in addition to studying the relationship between empowerment, job satisfaction, quality, productivity, job commitment and customer satisfaction. Research could also be conducted on the relationship between the employees' and employers' perceptions towards empowerment. The researcher also recommends that similar studies should be done in different service sectors, for instance, public hospitals, the insurance sector, and universities in Kenya, to determine how employee empowerment affects customer service delivery and the performance of service sector industries.

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