EMPLOYEE ENGAGEMENT PRACTICES AND PERFORMANCE OF STAR RATED HOTELS IN KENYA

Michael E. Wekesa Matofari, [1] **Dr. Evelyn Datche**, **PhD** [2] **& Dr. Peter Sasaka, PhD** [3]

[1] *PhD. Candidate, Department of Entrepreneurship, Technology, Leadership and Management Jomo Kenyatta University of Agriculture and Technology, Kenya.*

[2] *Senior Lecturer, Department of Entrepreneurship, Technology, Leadership and Management Jomo Kenyatta University of Agriculture and Technology, Kenya.*

[3] *Senior Lecturer, Department of Business Administration Technical University of Mombasa, Kenya*

ABSTRACT

Employees are the backbone of any organization; thus, they can make or break an organization. Therefore, successful organizations are cognizant of ways to engage employees. Employee engagement is a human resource concept that describes the level of enthusiasm and dedication employees feel towards their job. Engaged employees care about their work and about the performance of the organization, and feel that their efforts make a difference. The main objective of this study was to explore the influence of employee engagement practices and performance of star-rated hotels in Kenya. The specific objectives were: say, stay and strive, the moderating variable was working conditions, while the dependent variable was performance of star-rated hotels in Kenya. The theories used to support the study variables were Aon Hewitt Engagement model, 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 engagement and dependent variable performance of star-rated hotels. The study results show that employee engagement had a significant and positive relation with the performance of star-rated hotels in Kenya. The correlation results indicated that employee engagement and performance had and strong positive correlation. The inferential statistics indicated that with the introduction of working conditions as the moderating variable between employee engagement and the performance of star-rated hotels in Kenya, Employee engagement also showed a positive significant influence on performance of star rated hotels similarly showing a positive significant influence on performance. Multiple regression presents two regression models analyzing the relationship between employee engagement and performance of star-rated hotels, with a moderating effect of working conditions. The results indicate, the interaction effect enhances the relationship strength It also shows R^2 increased which also improves the model fit significantly. Employees who are engaged at their workplace feel connected to the organization thus help the organization to perform well. The study findings on employee engagement the results showed that engaged employees speak positively about the hotel, work effortlessly and they are more likely to stay.

***Key words;** Employee Engagement, Working Conditions and Performance of Star Rated Hotel*

INTRODUCTION

Employee engagement has become an indispensable aspect of organizational success in the rapidly changing global business environment. Defined as the extent to which employees are emotionally committed to their organization and its goals, engagement is characterized by vigor, dedication, and absorption in work. Over the past decade, the concept has gained significant attention, with researchers and practitioners emphasizing its impact on organizational performance, productivity, and employee well-being. Engaged employees are more likely to go beyond their formal job requirements, exhibit discretionary efforts, and contribute positively to organizational outcomes Mehnaz, Shivani, Aayushi, Muzzamil (2024). Numerous studies have demonstrated that high levels of employee engagement result in improved organizational performance, including increased profitability, customer satisfaction, and reduced turnover (Bhusan & Sar, 2020 b; J. Kim *et al.,* 2020; Rasool *et al.,* 2021). Similarly, Mansor Mat Jusoh, Hashim,

Muhammad, & Omar (2023) explained that employee engagement is crucial for organizational performance, and there are many benefits to having engaged employees. There are several benefits of employee engagement toward organizational performance such as better team performance, increased employee productivity, higher retention rates, lower turnover, and decreased burnout. Employees who lack engagement with their work are more inclined to seek alternative employment opportunities. Satata (2021) found out that engaged employees usually demonstrate three behaviours which are essential to the employee and the organization and they include; Say- where employees advocate for the organization to co-workers, potential employees and customers; Stay- which is the intense desire an employee has to continue being a member of the organization despite having opportunities to work elsewhere, Strive- is when workers put in more effort and initiative to contribute to the success of the organization. Gede and Huluka (2024) further explained employee engagement is operalitonalized into a constuct of six items composed of three observable factors of say , stay and strive. Say as an employee engagement measure enables employees to act as brand ambassadors of the organization. This is can be done through social media which opens multiple channels for employeesss to discuss their employer and cosequently a company's reputation can either be built or broken. Mudany, Awuor, Aosa and Ogutu (2021) observed that stay is a good indicator of engagement as it assesses how secure an employee is entrenched in their current role and the employer. Stive on the other hand is a kin to motivation and one being inspired to do his level best. The motivation and inspiration can come from different sources. For some employees it is their manager who makes them strive, for others it is the connection with a team or department that drives them. Such situations are positive but come with a risk. If a manager who is effective in motivating a team to strive leaves, the risk is that strive scores will plummet. Similarly, if strive is coming from connection to team or department it may lead to silo working (reluctance to share information). Strive can only be made possible if leaders are aware of the importance of driving information and inspiration through identifying with the organization as a whole. Nkansah, Gyimah , Sarpong, and Annan, J. (2023) in their study on the role of employee engagement at the work place concluded that the three aspects stay, say, and strive require similar conditions in an organization in order to thrive. Engaged employees are exhilarated in their duties and tasks which makes them think creatively and go an extra mile in their work. Amahwa and Otuya (2020) further explain that engaged employees care about the organization and hence strive to ensure it succeeds. High levels of employee engagement also leads to high employee effectiveness. This is through employee retention, customer loyalty, productivity.

Statement of the Problem

Elziny and Hany, (2021) report that organizational performance is a multifaceted construct encompassing financial, operational, and social dimensions. It is typically measured using metrics such as profitability, productivity, market share, and customer satisfaction. Therefore, this indicates that the interplay between employee engagement and organizational performance has been a focal point of research in organizational behavior. Engaged employees are more likely to demonstrate discretionary effort, align with organizational goals, and contribute to superior performance outcome. Komen (2024) also explained that engagement makes

employees to be innovative and motivated to give their best by exhibiting positive behaviors and offering satisfactory performance 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 engage their employees well. However, according to Bibi *et al.,* (2020), star-rated hotels have not given sufficient attention to implementing effective employee engagement 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. Despite extensive literature acknowledging the positive impact of employee engagement initiatives on various facets of organizational performance, including revenue growth, customer satisfaction, and employee productivity, there is a need for further empirical investigation to understand the nuanced dynamics and underlying mechanisms driving this relationship especially in the service industry such as hospitality industry. Therefore, this study sought to fill this gap by examining the influence of employee engagement practices and performance of star-rated hotels in Kenya.

Research Objectives

The general objective of this study was to determine the influence of employee engagement practices and performance with working conditions as a moderating variable in star rated hotels in Kenya. The study was guided by the following specific objectives;

- To determine the influence of employee engagement on performance of star rated hotels in Kenya.
- To examine the moderating effect of working conditions on the relationship between employee engagement practices and performance of star rated hotels in Kenya.

Research Hypotheses

- **$H_0 1$:** Employee engagement has no significant influence on performance of star rated hotels in Kenya.

- **$H_0 2$:** Working conditions has no significant moderating influence on the relationship between employee engagement practices and performance of star rated hotels in Kenya.

LITERATURE REVIEW

Theoretical Framework

Aon Hewitt Model of Employee Engagement

This study was anchored on Aon Hewitt Model of employee engagement includes the organizational drivers and outcomes of engagement as well as the individual outcome engagement itself. When we talk about the employee engagement construct, we reference the psychological state and behavioral outcomes that lead to better performance. Harvard business review (2022) report that engagement is thought to include a combination of several constructs widely accepted in academic literature such as affective and continuance commitment, motivation, and organizational citizenship behaviors. Practically speaking, this means engagement involves a combination of rational thought, emotions, intentions, and behaviors required for optimal performance and productivity. We operationalize employee engagement as a construct of six items composed of three observable facets of "say, stay, and strive. This model links employee engagement directly to business outcomes, emphasizing the impact of engagement on performance and retention. Engaged employees perform better, experience less burnout, it also assures organizational competitiveness and sustainability. Say: Engaged employees are vocal advocates for their company, sharing positive experiences with colleagues, customers, and potential employees, Stay: Engaged employees are committed to the organization and have a strong desire to remain employed there and Strive: Engaged employees go above and beyond their job requirements, demonstrating a commitment to quality and effort. Komen (2024) further notes that the Aon Hewitt model indicates that employee engagement is more than just a measure of job satisfaction; it is the deep emotional connection and commitment an employee feels toward their organization's mission,

values, and goals. True engagement arises when employees are not only passionate about their work but are also empowered through meaningful communication and personalized experiences. Modern engagement strategies focus on delivering hyper-personalized content that resonates with each individual's role, preferences, and timing, ensuring that employees feel informed and valued. This model was used to explain employee engagement variable.

Conceptual Framework

Figure 1 shows diagrammatical presentation of the hypothesized relationship between independent variable (Employee Engagement) and dependent variable (Performance of star rated hotels).
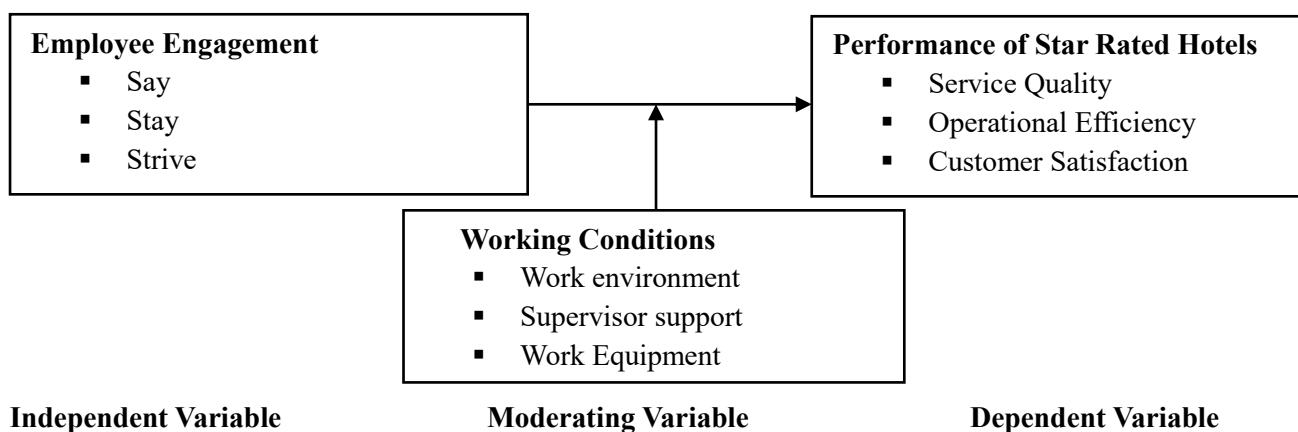

Employee Engagement		**Performance of Star Rated Hotels**
▪ Say		▪ Service Quality
▪ Stay		▪ Operational Efficiency
▪ Strive		▪ Customer Satisfaction

Working Conditions
▪ Work environment
▪ Supervisor support
▪ Work Equipment

Independent Variable **Moderating Variable** **Dependent Variable**
Figure 1: Conceptual Framework

Employee Engagement

Akanpaadgi and Binpimbu (2021) describe employee engagement as a rational and emotional connection that an employee has towards the organization. This influences an employee to constantly speak positively about the organization to colleagues, potential employees and customers. Employees also feel the desire to be part of the organization, thus put in more effort, and engage in behavior that contributes to organizational success. Similarly, Mansor *et.al,* (2023) opine that employee engagement involves employees' satisfaction as well as enthusiasm for work. It comprises of both job and organizational engagement. Job engagement explores the psychological state of how an employee is able to accomplish tasks at work. Organizational engagement is a motivation concept that enables and employee to actively put in his physical, cognitive and emotional energy for accomplishment of tasks. Adepoju, Olufemi, Hauwa, Bagobiri (2024) found out that employee engagement was never a concern for majority of firms until recently when organizations realized rise in competition. In addition, employees shift from the traditional aspects of satisfaction such as job security to employee commitment. Manisha, Gupta, Singh, Anitha, Nazreen, Saikia (2024) revealed that employee engagement consists of elements such as commitment, passion, and positive attitude exhibited by employees towards their work. Similarly, they also stated that engaged employees are able to acquaint themselves with organizational policies and procedures that are in line with their job description as well as relate well among themselves in a bid to enhance their individual performance and overall organization productivity. Ayot (2023) narrate that employee engagement involves three key factors which include Feel, Thought, and Act. Where thoughts are a cognitive aspect that describes employee's intellectual linkage to the organization in terms of organization culture, and familiarizing with their objectives, feel is an affective emotional linkage to the organization, it results in employees being loyal and committed to the organization and their work. While Act on the other hand is more of depicting behaviour by an employee. Satata (2021) found out that engaged employees usually demonstrate three behaviours which are essential to the employee and the organization and they include; Say‐ where employees advocate for the organization to co-workers, potential employees and customers; Stay‐ which is the intense desire an employee has to continue being a member of the organization

despite having opportunities to work elsewhere, Strive- is when workers put in more effort and initiative to contribute to the success of the organization. Manisha *et al.,* (2023) further explained employee engagement is operationalized into a construct of six items composed of three observable factors of say, stay and strive. Say as an employee engagement measure enables employees to act as brand ambassadors of the organization. This is can be done through social media which opens multiple channels for employees to discuss their employer and consequently a company's reputation can either be built or broken.

Mudany, Awuor, Aosa and Ogutu (2021) observed that stay is a good indicator of engagement as it assesses how secure an employee is entrenched in their current role and the employer. Stive on the other hand is a kin to motivation and one being inspired to do his level best. The motivation and inspiration can come from different sources. For some employees it is their manager who makes them strive, for others it is the connection with a team or department that drives them. Such situations are positive but come with a risk. If a manager who is effective in motivating a team to strive leaves, the risk is that strive scores will plummet. Similarly, if strive is coming from connection to team or department it may lead to silo working (reluctance to share information). Strive can only be made possible if leaders are aware of the importance of driving information and inspiration through identifying with the organization as a whole. Budiyono and Welly (2022) in their study on the role of employee engagement at the work place concluded that the three aspects stay, say, and strive require similar conditions in an organization in order to thrive. Engaged employees are exhilarated in their duties and tasks which makes them think creatively and go an extra mile in their work. Amahwa and Otuya (2020) further explain that engaged employees care about the organization and hence strive to ensure it succeeds. High levels of employee engagement also lead to high employee effectiveness. This is through employee retention, customer loyalty, productivity.

Working Conditions

Mwagona, and Kinyua (2023) 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's 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 and Pinerio (2022) explained that hotel workers are exposed to poor and stressful working conditions and this has been a major contributor of labour turn over in this industry. Thus, some of the issues addressed in order to improve working conditions include; work environment, supervisor support, equipment, and tools. Sinkey (2021) explained that the work environment has it's 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's performance and to an extent the entire organization. Bhatti, S. H., Vorobyev, Zakariya, & Christofi, (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 work in 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 open office layout. Ramadhan and Defrizal (2024) 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 environment of office to work process. This two when combined should provide employees with an adequate work environment that would enable them perform their work tasks effectively and efficiently. described supervisors 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. to influence employees, work attitudes and behaviors as they work with them on a daily basis. Afzal, Arshad, Saleem, & Farooq (2019) 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 more engaged in their jobs by providing timely and constructive feedback and adopting fair rewards and promotion. In addition, they observed that 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 need for improvement. Cabarcos, Rodríguez, Pineiro (2022) report that supervisors support can be in the form of emotional or instrumental support which enables employees to achieve their targets, spread positive attitude across the organization as well as increase employees' awareness of organizations goals and objectives. Strong support from supervisors to their employees improves 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 in order to help their supervisors achieve their stated goals. Mohammed and Abdallah (2021) opined that supervisor support involves 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. They also point out that employees at times cannot finish their tasks without support from their managers or supervisors. Andri, Yuswita, Haryati (2021) found out that a comfortable and ergonomic office design not only motivates employees but also increases their level of performance. However, they are all useless without the right equipment. The reason for this is that for an employee to be efficient and productive in today's work place environment they have to be equipped with the right tools and equipment.

Performance of Star Rated Hotels

Warrakah, Sasaka, Mzera (2022) describe performance as an output, which is aligned to an organization's objective. It is explained in terms of behavioral output and results. Similarly, performance is a complex and dynamic concept which has been conceptualized into two; financial performance which is concerned with stock turnover, profitability and return on investments. The other category is organization performance which has performance measures that are non-financial, and they include; customer satisfaction, quality of service, employee efficiency etc.

Ouma and Muthimi, (2024) argued that competition within the hotel industry has intensified and therefore, these organizations have been forced to identify the drivers of overall organization performance. This has not been restricted to only financial performance aspects but also non-financial performance aspects, which have proved to be critical to organization success as well. Kiilu, Machuki, Aosa (2023) further explain that traditionally hotel industry performance has been linked to financial performance aspects such as profitability and market share and totally disregarding non-financial aspects. However, in the recent past the role of non-financial indicators, such as customer satisfaction, employee efficiency, timeliness, productivity and quality service have proved to be of importance to this sector. Non-financial indicators of organization performance are the better performance indicators than financial indicators in service sector organizations like hotels. explained that in order to optimize organization performance, both organizational strategy and performance measurement indicators should be aligned together. This is because performance of any organization is measured using certain indicators. In addition, such information is utilized to evaluate unit and overall performance of an organization. Munala and Mwasiaji (2023). This study used non-financial performance indicators such as; quality service delivery, timeliness, customer satisfaction, and operational efficiency.

Empirical Review

Akinyi and K'obonyo (2022) examined employee engagement on Performance of secondary schools in Nairobi County, Kenya. The specific objectives were psychological state engagement, behavioral engagement,

and trait engagement. The study used cross-sectional survey research design to describe the variables under study. The target population under study was both teaching and non-teaching staff members of 63 private schools in Nairobi County, Kenya. The empirical results indicate that most employees in private secondary schools were proud of their work, and that this highly enhanced individual performance and the overall performance of this institutions. In addition, the study also revealed that engaged employees are usually self-confident and proactive in their work. Kiiru and Kiiru (2022) investigated the effects of workplace environment on the performance of employees in public health sector in Nairobi County, Kenya. The specific objectives of the study include establishing the extent to which physical work environment, psychological work environment, supervisor support and social work environment and their influence on employee's performance in public health sector. The study used descriptive research design; the target population was 4227 while the sample size was 358. The study results indicate that physical work environment, supervisor support, psychological work environment and social work environment had a positive and significant influence on employee's performance in the public health sector in Kenya.

METHODOLOGY

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 research design for this study was descriptive research design. Makari and Neely (2021) explain that descriptive research design enables the researcher to summarize 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 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.

Sample Size and Sampling Technique
This section presents the sample size and sampling techniques for this study.

$$n = \frac{n}{1 + N (\acute{\alpha} -)^2}$$

Where:

n = the sample size

N = the sample frame (population)

ά= the Margin of error (0.05%)

$$\frac{1 + 180}{1 + 180 (0.05)^2} = 116 \text{ Star rated hotels}$$

Sampling Technique
The study used stratified random sampling technique to select a sample size of 116 star rated hotels in Kenya. According to Althubaiti (2022), stratified random sampling technique is used for data, which does not constitute a homogenous group but that which is heterogeneous

Data Collection Methods

A self -administered structured questionnaire was the means for collecting primary data. The data collection method was appropriate, because of its ability to collect a large amount of information in a reasonable time (Saunders & Kulchitsky, 2021).

Model Specification

The simple linear regressions model was specified as:

$Y = \beta_0 + \beta_1 X + \varepsilon$ .... **Model 1**

Where:

Y = Performance of star rated hotels

X = Employee Engagement (Independent variable)

β_0 = Constant Term

β_1 = Regression Coefficients to be estimated

ε = Stochastic Error Term

The hierarchical moderated multiple linear regression models were specified as:

$Y = \beta_0 + \beta_2 X + \varepsilon$ .... Equation 2

$Y = \beta_0 + \beta_3 X + \beta 4Z + \varepsilon$ Equation3

$Y = \beta_0 + \beta_5 X + \beta_6 Z + \beta_7 X*Z + \varepsilon$ ....Equation 4.

Where:

Y = Performance of star rated hotels (the dependent variable),

X = Employee Engagement (the independent variable)

β_0 = Constant (the coefficient of the Y intercept)

$\beta_2 - \beta_6$ = Regression coefficients to be determined,

Z = Working Conditions (the moderating variable),

$X*Z$ = Employee Engagement* Working conditions (the interactive variable),

ε = Stochastic Error Term

RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive Statistics on Employee Engagement

The fourth objective was to analyze the influence of employee engagement on performance of star rated hotels in Kenya. The findings in Table 4.15 revealed that employee engagement aggregate mean (3.86) and standard deviation (0.75). Mean (3.86): This suggests that, on average, employees tend to agree with positive engagement statements, though not strongly. A mean close to 4 indicates generally favorable engagement levels, but with some variation across different aspects. Standard Deviation (0.75) indicates moderate variability in responses. Some employees strongly agree or disagree with engagement-related statements, meaning perceptions are not entirely uniform across the workforce.

Table 1: Descriptive Statistics on Employee Engagement

Statement	SD %	D %	N %	A %	SA %	Mean	Std Dev.
Engaged employees speak positively about the organization.		0.9	30.2	49.1	19.8	3.88	.726
Engaged staff say the hotel is the best workplace.		8.5	41.5	32.1	17.9	3.59	.881
Supervisors emphasize positive aspects about the hotel.	0.9	2.8	19.8	59.4	17.0	3.89	.747
Employees strive to exceed expectations.			8.5	51.9	39.6	4.31	.623
Employees strive to offer best quality service.			1.9	57.5	40.0	4.39	.527
Strive to help each other when required.			2.0	54.7	42.5	4.40	.546
Employees would prefer working for the hotel for long.		18.9	54.7	18.9	7.5	3.15	.814
Employees offered chances		17.9	34.0	13.2	28.3	3.24	1.100
Mean Average						**3.86**	**0.75**

n = 106 Key: Ranked Scale 1:0-1:7 (Strongly disagree); 1:8-2.5 (Disagree); 2.6 – 3.3 (Neutral); 3.4 – 4.1 (Agree); 4.2 – 5.0 (Strongly Agree).

The results also show moderate engagement on supervisor influence (3.89) and positive workplace perception (3.59. However, the results indicated lower agreement on long-term commitment (3.15) and opportunities (3.24) suggests potential concerns about career growth and retention. The highest variability (SD = 1.100) is in growth opportunities, indicating that some employees feel supported while others do not. The findings concur with previous study by Bojnec, and Tomšič, (2020) who found out those organizations with high levels of employee engagement performed better, and that engaged employees are often passionate about their position and genuinely care about their organization's success. When employees are well engaged, they work harder, advance company progress, and have a clear vision of the organization's mission goals and values.

Table 2: Descriptive Statistics on Working conditions

Statement	SD %	D %	N %	A %	SA %	Mean	Std Dev.
Working condition policy promotes job safety.			4.7	46.2	49.1	4.44	.587
Workplace is spacious, safe and comfortable.				49.1	50.9	4.51	.502
Supervisors support staff in their work.		.9	12.7	50.9	35.8	4.22	.690
Supervisors consult employees in decision-making.	5.7	2.8	19.8	41.5	30.2	3.88	1.057
Employees given sufficient tools for their work.	0.9	0.9	4.7	41.5	51.9	4.42	.716
Better work conditions enhance organization performance.			0.9	30.2	68.9	4.68	.789
Mean Average						**4.36**	**0.723**

n = 106; Key: Ranked Scale 1:0 (Strongly disagree); 1:8-2.5 (Disagree); 2.6 – 3.3 (Neutral); 3.4 – 4.1 (Agree); 5.0 (Strongly Agree).

The study sought to examine the extent to which working conditions moderate the influence of employee engagement practices and performance of star rated hotels in Kenya. revealed that working conditions had an

aggregate (Mean=4.36, SD=0.723). The aggregate mean of (4.36), suggests that, on average, respondents agree that working conditions in their organization are favorable. Since the mean is closer to 5 (Strongly Agree) than to 3 (Neutral), it indicates a generally positive perception of working conditions, workplace environment, supervisory support, and workplace tools & equipment. The results further indicate that generally working conditions in star rated hotels in Kenya are positive and fairly consistent although with different variation. i.e. Areas such as supervisory consultation (Mean = 3.88, SD = 1.057) show higher variation, meaning opinions are more divided on whether supervisors involve employees in decision-making. Overall, better working conditions are perceived to enhance organizational performance (Mean = 4.68), reinforcing the importance of a supportive work environment.

Based on the above results, it was evident that star rated hotels offered better working conditions for their employees and this contributed to overall performance of star rated hotels in Kenya. The findings concur with Kiiru and Kiiru (2021) who explain that a well-maintained, safe, and supportive workplace leads to higher employee morale, reducing absenteeism and turnover. Effective supervisory support and employee involvement in decision-making can drive innovation and commitment, further improving performance. In addition, providing adequate resources and tools ensures efficiency, reducing errors and delay. Working conditions also help to create a safer work environment. They can define what activities may be hazardous to employees or the organization and provide guidelines for avoiding such behaviors De Carlo, Dal Carso, Carluccio, Colledani and Falco (2020) report that supervisor support is about putting individuals in charge and tasking them to guide other employees while they are performing their tasks. Therefore, they are in charge of keeping an eye on performance of their subordinates, periodically assessing the work done and analyzing it to improve their subordinates' performance. Similarly, supervisor support also makes employees feel heard, valued, and cared about Yattani, Wario, Ombui and Nyangau (2024) further noted that ensuring employees have the right tools to do their job well can benefit their productivity. Comfortable workstations motivate employees to improve their work performance, while the use of right tools and equipment enhance performance. Better tools and equipment improve efficiency. It makes the work process quicker and improves overall organization performance

Performance of Star Rated Hotel

The results in Table 4.16 for the dependent variable performance of star rated hotels indicate an aggregate mean (4.25) and standard deviation (0.605). Mean (4.25) suggests that, on average, respondents agreed that star-rated hotels perform well in terms of service quality, efficiency, and customer satisfaction. Standard deviation of (0.605) shows a low standard deviation which suggests that responses were fairly consistent around the mean. Most respondents had similar perceptions about the performance of star-rated hotels, with minimal variation in opinions. In addition, Coefficient of Variation (CV) = (0.605 / 4.25) =0.142 (14.2%) Since CV is low, it confirms that responses were consistent and reliable. The results indicate that star-rated hotels are generally perceived to perform well, by providing quality service, efficiency, and effectiveness. Customers' satisfaction is also seen as a strong indicator of performance. The low variation in responses suggests a broad consensus on this positive assessment.

Descriptive Statistics on Performance of Star Rated Hotels

Table 3: Descriptive Statistics on Performance of star rated hotels

Statement	SD %	D %	N %	A %	SA %	Mean	Std Dev.
Hotels providing quality service.			2.8	46.2	50.9	4.48	.556
Hotels working with operational efficiency.			1.9	50.0	48.1	4.46	.538
Hotels providing quality products and services.			6.6	44.3	49.1	4.42	.616
Satisfied customers reflect better performance.			6.6	50.9	42.5	4.36	.605
Hotels effectiveness reflects better performance.			5.7	37.7	56.6	4.51	.605
Mean Average						4.25	0.49

n = 106; Key: Ranked Scale 1: (Strongly disagree); 1:8-2.5 (Disagree); 2.6 – 3.3 (Neutral); 3.4 – 4.1 (Agree); 5.0 (Strongly Agree).

According to Mwagona and Kinyua (2023), service quality is a key to organization performance, since employees provide in order to meet the expectations and requirements of customers. Service quality is characterized by the attitude that people have towards one another or their customers and how they serve them. Pradhan and Jena (2020) explained that operational efficiency at the workplace meant that employees carried out the correct tasks in the right way, with the least waste of time and effort. In essence, improving operational efficiency is about helping employees to work smarter not harder and efficient employees are productive, as they know how to organize their time and effort to complete their tasks on time. Kosgey and Ng'ong'a, (2023) explained that customer satisfaction is a measure of how customers are happy with the organization's products, services and capabilities. Similarly, customer satisfaction is measured by factors such as perceived product quality, perceived product value, convenience and complaint handling. Customer satisfaction plays a crucial role in enhancing the performance of hotels.

Inferential Statistics

Regression Analysis Results on Employee Engagement and Performance of star rated hotels

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.795[a]	.632	.629	.23556

a. Predictors: (Constant), Employee Engagement
b. Dependent Variable: Performance of star rated hotels

The results in Table (a) above reveal the regression analysis results for employee engagement and performance of star rated hotels. The R of 0.795 indicates a strong positive relationship between employe engagement and performance of star rated hotels. The R^2 represents the coefficient of determination, representing how much of the variance in employee engagement is explained by the model. Meaning: The model explains 63.2% of the variation in employee engagement. This means that the independent variables used in the model account for a significant portion of the changes in employee engagement. The remaining 36.8% could be explained by other factors not found in this model. The adjusted R² (0.629) is very close to R² (0.632), it suggests that the independent variables in the model are relevant and useful in predicting employee engagement. The std. error of the estimate was (0.23556) which is a lower value indicating a better fit hence the model predictions are fairly close to actual engagement levels. The results concur with Mansor, Mat Jusoh, Hashim, Muhammad, and Omar (2023) found out that there is a positive and significant moderate level relationship between employee engagement and organizational performance. Employers and employees must

strategize to have good employee engagement to enhance organizational performance. Employers must also act as effective leaders and make employees feel comfortable working in the organization. The study also 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. The significance of the regression model showed that the p-value was 0.000, which was less than 0.05. The regression model was found to be statistically significant in predicting the influence of employee engagement on organization performance in star rated hotels in Kenya, basing the confidence level at 95% the analysis indicating high reliability of the results obtained.

Table 5: ANOVA

1	Regression	9.918	1	9.918	178.753	.000^b
	Residual	5.771	104	.055		
	Total	15.689	105			

a. Dependent Variable: Performance of star rated hotels
b. Predictors: (Constant), Employee Engagement

The ANOVA results shown in Table (b) above depicts that the F-critical (1,105), while the F-calculated was 178.753. This shows that F-calculated was greater than the F-critical and hence there is a linear relationship between the variables employee engagement and performance of star rated hotels. This implies that when there is an improvement in employee engagement, there is also a significant improvement in performance of star rated hotels. In addition, the p-value was 0.000, which was less than the significance level of 0.05. This confirms the goodness of fit of the model in predicting the influence of employee engagement on performance of star rated hotels.

Table 6: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.526	.189		8.076	.000
	Employee Engagement	.650	.049	.795	13.370	.000

a. Dependent Variable: Performance of star rated hotels.

Using the unstandardized coefficients, the following equation applies;

Y= 1.526 + 0.65X$_4$……………Equation (5)

The results in Table c indicate that performance has an index of 1.526 when employee engagement is held constant. The beta coefficient (β_4) of 0.65 showed that a unit increase in employee engagement would lead to a 0.65 unit increase in performance of star rated hotels. In addition, the study determined that employee engagement significantly predicted performance of star rated hotels, t = 13.370, p < 0.05. Therefore, based on the findings, the study rejects the null hypothesis and concludes that employee engagement influences performance of star rated hotels in Kenya.

The results indicate that employee engagement is a key indicator of an organization's health since it gives a precise description of the relationship that exists between employees, their work and the organization. The results concur with. Amahawa and Otuya (2020) in their study the results indicated that employee engagement positively and significantly influences organization performance. The study found out that engagement determines employee's productivity and their willingness to stay in an organization. In addition, the study

found out that organizations with engaged employees have a high employee retention rate, because of reduced turnover and reduced intention to leave the organization.

Multiple Regression Analysis

Moderating Effect of Working Conditions on Employee Engagement

The model summary in the Table a below presents two regression models analyzing the relationship between employee engagement and performance of star-rated hotels, with a moderating effect of working conditions.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.795[a]	.632	.629	.23556
2	.846[b]	.715	.707	.20920

a. Predictors: (Constant), Employee Engagement
b. Predictors: (Constant), Performance of star rated hotels, Working Conditions, M4

The model summary in Table 7 presents two regression models analyzing the relationship between employee engagement and performance of star-rated hotels, with a moderating effect of working conditions. The results indicate that R increased from 0.795 to 0.846, the interaction effect enhances the relationship strength It also shows R^2 increased from 0.632 to 0.715, which also improves the model fit significantly by 71.5% of the variance. The results suggest that working conditions significantly moderate the relationship between employee engagement and hotel performance. The results also indicate a reduction in the Standard Error of Estimate (from 0.23556 to 0.20920) shows improved model precision. This implies that when employees have better working conditions e.g. fair pay, good work environment, supportive management), their engagement leads to even higher performance in star-rated hotels.

Table 8: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.918	1	9.918	178.753	.000[b]
	Residual	5.771	104	.055		
	Total	15.689	105			
2	Regression	11.225	3	3.742	85.497	.000[c]
	Residual	4.464	102	.044		
	Total	15.689	105			

a. Dependent Variable: Performance of star rated hotels
b. Predictors: (Constant), Employee Engagement
c. Predictors: (Constant), Employee Engagement, Working Conditions, M4

ANOVA Table above indicates two models tested using ANOVA. Model 1 shows (F-178.753, p ≤ .000) that the model is statistically significant, meaning Employee Engagement has a strong and significant effect on performance of star rated hotels. The R^2 represents 63.2% of the variance in performance of star rated hotels. Model 2. Indicates the (F-statistic: 85.497, p-value < 000). The R^2 =0.716, meaning it accounts for approximately 71.6% of the variance in performance of star rated hotels. Overall results, Compared to Model 1, Model 2 explains more variance (71.6% vs 63.2%), indicating that adding Working Conditions and M4 (performance) improves the model's explanatory power. Model 1: Residual SS = 5.771, Model 2: Residual SS = 4.464 the decrease in residual sum of squares in Model 2 indicates a better fit to the data. Therefore, Working Conditions significantly impact the performance of star-rated hotels, over and above the influence of employee engagement. These results support the idea that enhancing both employee engagement and working conditions leads to better organizational performance.

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.526	.189		8.076	.000
	Employee Engagement	.650	.049	.795	13.370	.000
2	(Constant)	.237	1.642		.145	.885
	Employee Engagement	.678	.429	.828	1.580	.117
	Working Conditions	.380	.377	.433	1.007	.316
	M4	-.028	.098	-.226	-.287	.775

a. Dependent Variable: Performance of star rated hotels

Using the unstandardized coefficients the following equation applies;

Y= 0.237 + 0.678X$_4$ + 0.380Z -0.028X$_4$*M ……………. Equation (6)

Table (c) indicates the coefficient results working conditions in relation to employee engagement and the performance of star-rated hotels. Model 1. Unstandardized B = 0.650, meaning for every 1-unit increase in employee engagement, performance increases by 0.65 units. Standardized Beta = 0.795: Strong positive influence. Sig. = .000: Highly significant. Employee engagement alone has a strong and statistically significant positive effect on the performance of star-rated hotels. Model 2 indicated that unstandardized B = 0.380 meaning if working conditions increase by 1 unit, performance increases by 0.38 units when controlling for other variables. Standardized Beta = 0.433 has moderate positive effect where t = 1.007 and Sig. = 0.316: Not statistically significant at the 0.05 level. Overall results indicate that employee engagement's significance drops (p = 0.117) when working conditions and M4 are added. This may suggest overlap or multicollinearity between predictors. Thus, Working Conditions have a positive but non-significant effect on performance. In addition, In Model 2, working conditions do not significantly predict performance, despite a positive trend. Employee engagement remains an important factor, but its significance weakens when other variables are included.

Hypothesis Testing

H0$_1$Working conditions do not moderate the relationship between employee engagement practices and performance of star rated hotels in Kenya.

The results indicate that employee engagement showed a significant influence on performance with the coefficients β = 0.274, t = 7.633, p =0.000 indicating a positive significant influence on performance. The study therefore rejected the null hypothesis and concluded that employee engagement had a positive and significant influence on performance of star rated hotels in Kenya. The findings concur with Koech and Cheboi (2021) in their study on employee engagement and performance in technical institutions in Kenya. The study results indicate that employee engagement positively influenced organization performance. The study pointed out that engaged employees often portrayed a deep and emotional connection with their work, more productive, profitable, safe, healthier and less likely to leave their employer. Engaged employees are also more likely to contribute and voice their ideas that they think would benefit organization to achieve its objectives

CONCLUSION AND RECOMMENDATIONS

The objective of the study sought to evaluate the moderating effect of working conditions on the influence of employee engagement practices and performance of star rated hotels in Kenya. The indicators of employee engagement were (Say, Stay and Strive). The indicators of performance were (service quality, efficiency

improvement and customer satisfaction). The indicators for working conditions were working equipment, supervisor support and work environment. Both descriptive and inferential statistics were done to derive results. The research findings indicated that, Say, Stay and Strive had a statistically significant influence on organization performance in star rated hotels in Kenya. Findings in correlation and regression analysis indicated that there was a statistically significant and positive correlation between employee engagement measures (Say, Stay, and Strive) and performance of star rated hotels in Kenya. The study concludes that organization performance of star rated hotels is likely to improve when star rated employees are engaged at the work place. Engaged employees feel as part of the organization thus they internalize organizational objectives and are likely to as part of the organization. Similarly, the study revealed that star rated hotels whose employees are engaged have a high retention rate, as a result there is reduced levels of employee turnover or intentions to leave the organization.

Suggestions for Future Research

Future studies on employee engagement should concentrate on comprehending the subtleties of engagement in various organizational contexts, examining the effects of remote work models and technology, and examining how corporate culture and leadership contribute to engagement. Researchers should specifically explore the relationship between sustainable practices and employee engagement, assess the efficacy of various engagement programs across industries and demographics, and look into how data analytics and artificial intelligence can be used to customize engagement tactics.

REFERENCES

Adepoju O.T., Oluranti A.O., Abubakar H.L., Bagobiri E.Y. (2024) Impact of Employee Engagement On Service Quality in Nigerian Public Agencies, International Journal of Business and Management Review, Vol.12, No.2, pp.16-27.

Afzal, S., Arshad, M., Saleem, S. & Farooq, O. (2019). The impact of perceived supervisor support on employees' turnover intention and task performance: Mediation of self-efficacy, *Journal of Management Development, 38 (5), 369-382.*

Aideed Bashir & Abeera Amir & Mehwish Jawaad & Tania Hasan, (2020). Work conditions and job performance: An indirect conditional effect of motivation," Cogent Business & Management, Taylor & Francis Journals, vol. 7(1), pages 1801961-180, January.

Amahwa, O. M., & Otuya W. (2020). Employee engagement and organizational performance in Kenya: A critical review. *The Strategic Journal of Business & Change Management*, 7(2), 86 – 101.

Amahwa, O. M., & Otuya W. (2020). Employee engagement and organizational performance in Kenya: A critical review. *The Strategic Journal of Business & Change Management*, 7(2), 86 – 101.

Ángeles López-Cabarcos, M. & Vázquez-Rodríguez, Paula & Quiñoá-Piñeiro, Lara M*., (2022). "*An approach to employees' job performance through work environmental variables and leadership behaviours," *Journal of Business Research, Elsevier, vol. 140(C), pages 361-369.*

Bhatti, S. H., Vorobyev, D., Zakariya, R. & Christofi, M. (2024). Social capital, knowledge sharing, work meaningfulness and creativity: evidence from the Pakistani pharmaceutical industry. *Journal of Intellectual Capital, 22(2), 243–259*

Bojnec, Š., & Tomšič, N. (2020). Corporate sustainability and enterprise performance. *International Journal of Productivity and Performance Management, 70 (1), 21-39.*

Budiyono & Welly (2022)The Assessment of Employee Engagement Level for the Implementation of New Ways of Working. *European Journal of Business and Management Research*, *7*(1), 113-116. https://doi.org/10.24018/ejbmr.2022.7.1.1241.

Elziny, M., N.& Hany E., M (2021) The Interactive Impact of Organizational Support, Service Training and Empowerment on Employees' Affective Commitment and Service Recovery Performance: Hotel Front Office Department's Perspective. *Journal of Association of Arab Universities for Tourism and Hospitality (JAAUTH)*. Vol. 20 No. 3, (2021), pp.148-172. Mohammed N. Elziny and Hany E. Mohamed, (JAAUTH), Vol. 20 No. 3, (2021), pp.148-172. https://jaauth.journals.ekb.eg/.

Emmanuel A. & Felicia B. (2021). Employee Engagement and Organizational Performance Business, Management and Economics Research, Academic Research Publishing Group, vol. 7(3), pages 93-100, 09-2021.

Gede, D.U., Huluka, A.T. (2024) Effects of employee engagement on organizational performance: case of public universities in Ethiopia. *Futur Bus J* **10**, 32. https://doi.org/10.1186/s43093-024-00315-7.

Harvard Business Review. (2020). The impact of employee engagement on productivity. Harvard Business Review Press.

Kariuki, C. W., & Kiiru, D. (2021). Employee Recognition and Employee Performance at Public Hospitals in Nyeri County, Kenya. *International Academic Journal of Human Resource and Business Administration, 3, 243-264.*

Kiilu, P., Machuki, V., Aosa, E., & Ngahu, C. (2024). Does Organizational Culture mediate the interplay of Strategic Agility on Organizational Performance? Evidence from Accredited Universities in Kenya. *Journal of Business and Strategic Management, 9(9), 49–61. https://doi.org/10.47941/jbsm.2401.*

Kirongo A. C. & Otieno., C., O. (2020). Research Philosophy Design and Methodologies: A Systematic Review of Research Paradigms in Information Technology. *www.globalscientificjournal.com.GSJ: Volume 8, Issue 5, May 2020, Online: ISSN 2320-9186. GSJ: Volume 8, Issue 5, May 2020 ISSN 2320-9186*

Kome, V. (2024) Employee Engagement and Organizational Performance in Kenya. *International Journal of Business Strategies,* AJPO, vol. 10(1), pages 52-63.

Kosgey and Ng'ong'a, (2023) Operations Improvement Approaches and Customer Satisfaction In Kenya Power & Lighting Company. *International Journal of Management and Commerce Innovations ISSN 2348-7585 (Online) Vol. 11, Issue 2, pp: (239-257), Month: October 2023 - March 2024,*

Mansor, F. A., Mat Jusoh, Y. H., Hashim, M. Z., Muhammad, N., & Omar, S. N. Z. (2023). Employee engagement and organizational performance. *International Journal of Accounting, Finance and Business* (IJAFB), 8(50), 69 - 80.

Mehnaz Manzoor, Dr. Shivani Dhand, Aayushi Pandey, Dr. Muzzamil Rehman (2024). A study on Impact of Employee Engagement on Organizational Performance: An empirical Investigation through SEM Approach. *Frontiers in Health Informatics*, 13 (8) 642-653.

Mohamad, N. I.,Othman, A. S., Abdullah, S., Nor, A. M., &Mohd Kadri, N. (2025). The influence ofsupervisor support on mitigating job stressand shaping dynamic employee behaviour:A company governance study [Specialissue*]. Journal of Governance & Regulation,14(1), 240–250.https://doi.org/10.22495/jgrv14i1siart1.*

Mudany, J. O., Awuor, E., Aosa, E., & Ogutu, M. (2021). Influence of Staff motivation on the relationship between employee engagement and employee performance at Kenya Electricity Generating Company (Kengen). *African Journal of Emerging Issues*, *3*(9), 49–65.

Mudany, J. O., Awuor, E., Aosa, E. & Ogutu, M. (2021). Influence of staff motivation on the relationship between employee engagement and employee performance at Kenya electricity generating company (Kengen). African Journal of Emerging Issues, 3 (9), 49- 69.

Mwagona, M. N., & Kinyua, G. M. (2023). Organizational Performance from the Perspective of Customer Experience Management: A Critical Review of Literature. *International Journal of Education and Research*. 11(9), 101-124.

Nkansah, D. , Gyimah, R. , Sarpong, D. and Annan, J. (2023) The Effect of Employee Engagement on Employee Performance in Ghana's MSMEs Sector during COVID-19: The Moderating Role of Job Resources. *Open Journal of Business and Management*, **11**, 96-132. doi: 10.4236/ojbm.2023.111007.

Ouma , E. O. ., & Muthimi, J. (2024). Organizational Performance as an Outcome of Strategic Leadership in the Context of Selected Churches Affiliated with Evangelical Alliance of Kenya. *Journal of Strategic Management, 4(1), 16–27. https://doi.org/10.70619/vol4iss1pp16-27.*

Satata, D. B. M. (2021). Employee Engagement as an Effort to Improve Work Performance: Literature Review. Ilomata *International Journal of Social Science*, 2, 41-49. https://doi.org/10.52728/ijss.v2i1.152.

Sinkey, M. S., (2024). Effects of Job Stress on Employee Performance Level in the Health Sector of South Africa, *European Journal of Business and Innovation Research, Vol.12, No.3, pp.,16-26*

Warrakah K. A., Sasaka P. S., & Mzera J. U. (2022). Effect of the High-Performance Organizational Framework on the Performance of Chartered Public Universities at the Kenyan Coast. *Journal of Strategic Management, 6(5), 52 - 68.https://doi.org/10.53819/81018102t6023*

Yattani, M. W., Wario, G. J., Ombui, D. K., & Nyang'au, D. S. P. (2024). Workplace Ergonomics and Employee Performance in Registered Private Security Firms in Kenya. *European Journal of Theoretical and Applied Sciences, 2(1), 175-185. https://doi.org/10.59324/ejtas.2024.2(1).13*