

**EFFECT OF INTRINSIC REWARDS ON COMMITMENT OF EMPLOYEES
AT KENYA'S FAIRMONT GROUP OF HOTELS**

KIBIGO PATRICIA WANJIKU

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DECLARATION

This project is my original work and has not been presented for a degree in any other University.

Signature: Date.....

KIBIGO PATRICIA WANJIKU

REG NO: D61/64401/2013

This project has been submitted for approval to the supervisors.

Signature:..... Date:

Dr. Florence Muindi

Department of Business Administration

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DEDICATION

This work is dedicated to my dear Husband Stephen Karumbi, my parents Mr. & Mrs. Kibigo and to my two wonderful sons Ian & Nathan for their support and prayers. They in deed walked together with me in this and encouraged me not to give up.

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ABSTRACT

The global economy currently has a predominant competitive environment where companies spend considerable resources to ensure that their employees are motivated to contribute towards enhanced employee commitment. Employees have been recognised as the overall most useful resource. How a company performs is usually heavily affected by its employees through their engagement, attitudes and motivation which influence the company. The paper sought to investigate how intrinsic rewards affect the employees' commitment at Kenya's Fairmont Group of Hotels. The study used descriptive survey research design. It aimed at the 367 employees of Fairmont group of hotels in Kenya. The sample consisted of 110 employees carefully selected. To obtain information, the study used structured questionnaires which were administered to key respondents drawn from Fairmont group of hotels. Content analysis was used to analyze data to arrive at analytical conclusions. The study revealed that most employees (72.2%) favoured career growth and development as a source of motivation. A small number of the employees (21.0%) noted that flexible work schedule plays a role in influencing affective commitment. The study also established that majority (61.4%) of the employees did not think that meaningful work had any impact on continuance employee commitment. Employee empowerment played insignificant role in employee commitment. From the study, it is clear that the relationship between career growth, flexible work schedules, meaningful work, organisational commitment and work engagement is advantageous to Human Resource practitioners and managers in developing work place strategies and also in improving positive workplace outcomes. On the basis of these revelations, Fairmont Group of Hotels should formulate clear strategies and measures that can improve employee commitment. Top management should provide adequate intrinsic rewards which could enhance job commitment and which ultimately could lead to better output and hence improve how companies perform.

CHAPTER ONE: INTRODUCTION

1.1 Introduction

Global economy with its prevailing cut-throat competitive environment makes companies spend considerable resources to ensure that their employees are motivated to contribute towards enhanced employee commitment. Employees have been recognised as the overall most useful resource. A company's performance is affected by employees motivation, through their engagement, attitudes and motivation as stated by Shanks, (2007).

Commitment among employees as stated by Ireffin and Mechanic, (2014) is valued by companies that make profits because it is thought to reduce withdrawal behaviour like lateness, absenteeism, turnover etc. Those employees willing to form and keep a lasting relationship with their employers are said to be committed. Key rewards have been deemed as helpful in recognizing employee efforts and are held as a form of motivation for the employees and their commitment. Companies with employees feeling satisfied with how they are treated will in turn get the same determination from the employees towards their work. According to Rhoades, et al., (2011) if employees are for example treated accordingly, they will tend to become more committed and involved in their work and the opposite will tend to happen to companies that ill-treat their employees.

Armstrong (2011) approves that many companies now make use of intrinsic rewards and development processes since they have proved to be strategic components that lead to continuous success by improving the employees' attitude and commitment and also develop capabilities to their respective input. According to Ghafoor and Hafeez (2013), in order to ensure better organizational commitment, employees' commitments are aligned towards achieving organizational goals, which in turn are aimed at creating a very strong link between business objectives and individual links. Woodward (2010), posts that top administrators are deemed as effective and capable in promoting employee's motivation as they get to know how to control their own intrinsic rewards.

The study is anchored on the social exchange theory and expectancy theory and other theories mentioned herein. The social exchange and expectancy theories are among the most applicable theories in envisaging the nature of employees in the company. (Greenberg, 1996), a theory that concedes to an employee's particular behaviour being influenced by the treatment he or she receives from his employer is referred to as expectancy theory. The theories relationship tends to come from how one attribute is resulting to the other and vice versa. Social exchange between the employer and employee in turn helps in sustaining a good relationship between the two hence bringing about positive attitudes such as motivation, trust and job satisfaction thus the employees will. SE influence among an employer and an employee aids in sustaining a good connection hence elicit good attributes like trust, motivation etc. hence aid in influence in employees doing better in their work.

The Fairmount group of hotels has three large hotels located in Nairobi, Maasai Mara and Nanyuki. The Fairmount group of hotels is classified as the high-end hotels and it is noted that the employees at the hotels have been in service for the hotel for substantially long periods of time. The hotels are reputed in service quality and have had a track record in consistence of service. The researcher had of particular interest to know what motivated the employees to show commitment in the service industry in Kenya.

1.1.1 Concept of Rewards

Organization management scholars have defined rewards variously. For instance, Malhotra et al., (2007) views rewards as any form of appreciation, material or immaterial services and rewards employees acquire from a predetermined relationship. It has been commonly noted that employees expect some reward after delivering certain given work. The Oxford dictionary states that performance originates from the word 'perform', is to carry out, accomplish or fulfill an action, task or a function.

Aimal et al., (2015) and Shanks (2007) classifies rewards into two classes; extrinsic and intrinsic rewards. Those benefits like money, bonuses; promotions etc. that companies provide are extrinsic rewards and they act as motivations to improve employees' performance. This paper adopts a definition of rewards seen types of payment; appreciation that employees acquire within their employment predetermined relationship. It was theorized by Malhotra et al. (2007).

1.1.2 Intrinsic Rewards

Intrinsic rewards are subjective; they elaborate the feeling an employee has towards work and the importance in it. Shanks (2007) further argues that these rewards are integral in the job content and they entail motivational attributes like skill, variety etc. and also employees taking part in making decision and a role in precision Ajmal, et al., (2015) also notes five types of intrinsic rewards.

As intrinsic and extrinsic rewards affects motivation: two school of thoughts and research into rewards as stated by Ajmal, et al., (2015). Some scholars argues that extrinsic rewards are more effective in attaining employee commitment while the other scholars argue that for one to motivate employees as stated by Shanks, (2007) one need to use intrinsic rewards.

1.1.3 Employee Commitment

Edmonds (2010) defines employee commitment to be how she or he perceives his emotions to a company: looking into the employees' conviction on the missions and goals of the company, willingness to put effort in their achievements and how they intend to keep working there. Short term employees are usually more committed than those who have experienced personal success in the company and those working with a committed employee group. A perception which reflects an employee's strength to a company is commitment. An employee commitment policy can help gain their support and in turn maximize the company's benefits from what they receive from their

employees with a higher yield and individual performance also increasing to roughly the same size. It is usually the degree of strength of involvement of an employee with a certain company.

1.1.4 Kenya's Fairmount Group of Hotels

Fairmont Hotels and Resorts is an international group of Hotels operating in Kenya. Fairmont operates properties in 19 different countries including across the world. Fairmont Group of Hotels has been part Kenya's rich history, and is viewed as one of the best Kenyan Hotels, (Fairmont Group of Hotels, 2014). Locally the group operates only three luxurious hotels namely The Fairmont Mount Kenya Safari Club, Fairmont the Norfolk Hotel and Fairmont Mara Safari Club.

1.2 Research Problem

Rewards have been recognised as something influencing employee attitudes, character in a number of ways. Intrinsic reward effect on employees' commitment need be integrated into the overall strategic and operational framework of the organization (Ajmal et al., 2015). Intrinsic reward is increasingly competitive as it ensures employees remain motivated, appealed and put in the company. Many companies however, considering employee commitment to be linked to intrinsic rewards are restricted in terms of time and effort to spend. Shanks (2007) stated in order to draw and keep their employees employers shifted to intrinsic rewards. Once an employee is provided with intrinsic rewards they tend to observe the company to be supportive and caring.

Employee commitment is an important factor in determining overall firm performance. It provides a foundation for employee motivation and by extension impacts on performance. Research has found that variation in performance in hospitality industry can be explained by the resources that organizations control, but that alone is not sufficient as firms operate in a dynamic environment. This has resulted in to some firms going under and yet they had good resources. This calls for organizations to be adaptive as Burnes (1996)

argues that for firms to attain superior performance, they have to continuously motivate employees. Commitment towards employee commitment has been found to be critical to organizational success and in the long term leads to competitive advantage. Hospitality industry in Kenya is in dire need to improve performance. An understanding of organizational employee commitment therefore cannot be overstated.

The Fairmount group of Hotels are currently operating in a more dynamic business environment than before, since the market has become very competitive. There has been intense competition in providing quality services in the hotel industry and this has led to the hotels responding to the competitive environment, otherwise they become irrelevant. The importance of employee commitment cannot be ignored, because it determines how the hotels respond in retaining employees who are motivated and productive for the benefit of the organization (Sarwar & Abugre, 2013).

Several local studies have been conducted about the intrinsic rewards and employee's commitment. Githinji (2014) studied the effects of intrinsic rewards on employee commitment, a case study of United Support Office for the African Union Mission in Somalia and found out that intrinsic rewards influences employee commitment by positively influencing employee engagement to change process; innovation; better commitment and enhance enthusiasm to work. A study by Muchai & Mwanyi (2012) was conducted on how rewards and recognition of employees would influence performance in the Kenyan public sector.

It was noted that recognition drives employee engagement to a very great extent. It was also noted that engaging employees through rewards deduced complaints on equity and fairness in payment and other employee problems. A study by Kathure (2014) on how non-financial rewards affected commitment of employees at KTDA. The employees established that the employees agreed medical treatment was offered to them moderately and a progression in their career would lead to their job improvement greatly. The study

also found that, the organization released employees from regular work to attend training and even sponsored employees where possible at a major deal. It also established, they were being praised and recognized in public for good work to a great extent.

The existing literature focused on effects of intrinsic rewards on employee commitment at the United Support Office for the African Union Mission (NGO) and the public sector while the other study focused on non-financial rewards on employee commitment. This study addressed the knowledge gap by focusing on how intrinsic rewards affect commitment of employees at Kenya's Fairmont Group of Hotels. Therefore, this study analysed and provided answers to the question; how do intrinsic rewards affect employees' commitment in Fairmount Group of Hotels in Kenya?

1.3 The Objectives of the Research

The study's general objective was critically examining how intrinsic rewards affect employees' commitment in Kenya's Fairmont Group of Hotels.

1.4 The Study's Essentiality

Study's results were vital in the management of the Fairmont Group of Hotels in Kenya because they provide insights about the influence of intrinsic rewards on employees' commitment at the organization to ensure employee commitment hence high organization productivity and the attainment of organizational objectives. Other hotel industry will be able to implement the research recommendations to improve employee commitment and hence reap maximum benefits from their employees' performance.

The government agencies and other organizations will make use of this study, as it provides knowledge useful in formulation of policy and a regulatory framework on human resource management and in particular reward programs for better organizational performance and individual employees' wellbeing.

Researchers and scholars can use this information to add to their understanding employee reward programs practices in Kenya. The study provides foundation and material for later studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

What is covered here is the theoretical, conceptual and empirical literature along the study's construction. First, theoretical underpinnings are presented and discussed. This is then followed review of empirical literature along the hypothesized relationships. This brings in to the fore the state of knowledge and extant gaps in knowledge that the study will address. The chapter further presents the conceptual framework in general.

2.2 Theoretical Foundation

Intrinsic rewards' role on employee commitment is explained by various theories including the Social Exchange Theory (Greenberg & Scott, 1996), Expectant Theory (Vroom, 1964), supported by other theories discussed herein.

2.2.1 Social Exchange Theory

SET (Blau, 1964) involves generation of responsibilities brought about by a sequence of interactions that generate responsibilities (Lee, 2008). This theory sees these interactions as dependent on another person's actions. This theory also stresses that these transactions can result to good relationships but as we later see on certain conditions as stated by Rusell and Marie, (2005). SET as stated by Greenberg and Scott, (1996) is generally used by studies to foresee work behaviour in the organizational field. SET suggests that affirmative or negate behaviour portrayed by employees is influenced by treatment accorded by those who have employed them. According Lee (2008) concurs with Greenberg and Scott's assertions and states that this theory is mainly based on how one attribute results to the other and vice versa. SE influence among an employer and an employee aids in sustaining a good connection hence elicit good attributes like trust, motivation etc. hence aid in influence in employees doing better in their work. Employers hence ought to treat their employees fairly so that in turn the employees can exhibit good attitudes and attributes which will in turn enhance organizational influence effectiveness

SET also faces prejudices; it is stated that it reduces interaction between people because of what is transpired to arise from one's economic needs (Miller (2005) He further states that the theory favours freedom and openness which are sometimes preferred but are not usually the best in cementing a good relationship. Employees' motivation and engagement is influenced by how they perceive being rewarded for their skill, knowledge and contribution. As stated by Lee, (2008) Reward strategies reflect the company's organizational culture hence companies tailor these strategies to their specific business objectives employees' motivation and engagement.

2.2.2 Expectancy Theory

ET as theorized by Vroom (1964) argues that expectancy concept is contained in the valence- instrumentality. He further states valence which stands for value instrumentality believes that doing something will in turn bring about another. Expectancy on the other hand refers that an act influences the outcome of another. Individuals as stated by SET tend to choose between uncertain an outcome which is influenced by their belief of the outcome and also preferences.

He also defines expectancy to be belief stating that a particular act is most likely to have a particular outcome. Armstrong (2006) expounded on Vroom's assertions and noted that strength could be used to expound expectancies. Strength coming out in its maximum is shown by how an outcome resulting from an act while strength in its minimum is shown by an outcome not resulting from an act. Past experiences influence the strength of expectations for instance rewarding an employee after going beyond his duty. This influences motivation to perform where in conclusion it is seen that rewarding employees in accordance to what they have contributed improves their performance.

This theory has aided in facilitating motivation theories. It considers ones perceptions allowing ones response which is unlikely in other theories as they assume similarity in

people. However this theory has faced its own prejudices. It has been noted that this theory is so broad and deep hence making it difficult to test all its aspects.

2.3 Types of Intrinsic Rewards

Existing rewards in the job include: achievement, meaningful work, challenge etc. is what intrinsic rewards entail Aimal et.al,(2015). They increase one's self esteem hence accomplishment. They are got from the task itself and factors like self-direction, responsibility, variety, creativity, ability etc.as stated by Shanks (2007).

Motivation as stated by Malhotra et. al. (2007) by employees is believed to instil hard work for quality results when they are proud of their work, believing their efforts are good to the input of the company, finding fun in their jobs and rewarding. Intrinsic rewards allocation can influence motivation and rewards can influence the work group's models of effectiveness as stated by Shanks (2007). The intrinsic rewards as stated by Aimal et al, (2015) heavily affect business practices as seen in literature.

2.3.1 Career Growth and Development

With time employee progress and selection systems need be revised and replaced entirely. Administering performance as stated by Smith and Lee (2007) is deemed as evaluation of one's validity to test employee's attitudes, qualification and how they perceive business needs and is usually deemed as considerable in this evaluation.

The companies' norms influence how decisions on selection techniques are being incorporated. In spite of this the top administrators usually look at how employees perceive the different measures set up: whether they are taking it in appositive or negative manner. It was also established that a positive perception from an employee can be vital in attracting talented personnel. This can however be limited if these companies have limited resources.

2.3.2 Meaningful Work

Employees want to feel the importance of what they are trying to fulfill at their work place. They would want to feel the meaningfulness of their contribution. They would want to feel that their contributions matter in the larger scheme of things. Employees need to have a purpose and direction and feel what they are doing is worth their time.

2.3.3 Empowerment

With the state of global competition employees are nowadays not thought to be unskilled, lazy or irresponsible but viewed as the crown of the company (Ajmal et al., 2015) and therefore empowered to make decisions on behalf of their organizations. They should henceforth be given the mandate to make decisions and decide on how to achieve the company's set goals and also execute tasks vital to them. (Shanks, 2007).

The potential of empowerment to intrinsically motivate employees and create a complete rewarding environment has been recognised widely in the human resources management practices (Shanks, 2007). It has been believed by scholars that employees being empowered would in turn increase their commitment as they will use their proficiency so as to meet the company's goals.

2.3.4 Flexibility at the Work Place

The working arrangement that gives employees respective working hours as stated by Menzes and Kelliher (2011) is called flexible scheduling. It helps in maintaining skilled human capital by boosting their efforts, reducing absenteeism etc. as stated by Golden (2009). A study conducted by Umur (2010) on what affects job satisfaction and motivation in addition to that he did a study on what affects educators resulting to them being demotivated. Using a sample size of 16 respondents who were English students in Lefke University in Europe. It was concluded that flexible working scheduling affects motivation in forms of productivity to the educators.

A Study by Bellamy and Watty, (2003) on the influence of working conditions on performance among students. The study was conducted at Malaysian Tertiary Education Institutions; they used mail surveys to collect information. A study sample size of 1328 respondents was the one targeted. From the results it was established that flexible scheduling highly affects performance alongside autonomy and it very much affected academicians remaining in the institution. It also highly affects motivation.

2.4 Levels of Employee Commitment

This reflects an employee's knowledge on the company's goals and the company itself. According to Ajmal (2015) it highly affects an employee's performance in general. It entails being commitment at work, being committed in one's career and being committed as a company which can highly affect the overall company's performance. Human resource management scholar and practitioners have conceptualised three levels of employee commitment, namely; affective, continuance and normative commitment.

2.4.1 Affective Commitment

This level of commitment was started by Meyer (1990) and it refers to how emotionally attached to a company, how he identifies a company and how much he is involved to the company. The best approach to this commitment as stated by Ajmal et. el. (2015) is by looking at the extent at which one is emotionally attached with, how he identifies and how much he is involved and the extent at which he enjoys being in the company.

He also argues that it is considered very vital in forming the employee commitment. He is in turn seconded by Pepe (2010) who concedes commitment to being consistent in partaking an activity based on the amount of knowledge one has on the costs and is vital in the general performance of a company.

2.4.2 Continuance Commitment

This is being aware of being impossible to choose another social identity because of the results that come with it. (Pepe, 2010). It results from profit being gained if one continues

working for the company. One also looks at what one will lose in case she leaves the company.

It is typically assessed using a measures Meyer (1990) advanced, and it entails employees being given a chance to leave a company if they are rewarded with things like pay increase, status, freedom and an increase in opportunity. An employee with this level of commitment stays not because she wants to but because she is forced to because of what happens if they resign.

2.4.3 Normative Commitment

Meyer (1990) equally conceptualised the normative component as how an employee feels like he is forced to remain in the company. Commitment is referred to as legally dedicating yourself to something; legally binding exchange of promises and sticking to a specific act. An employee under this category remains in the company because she feels that she has to but not because she is willing. Ajmal (2015).

2.5 Relationship between Employee Commitment and Intrinsic Rewards

Intrinsic rewards are considered to be those added activities like housing, recreation, medical etc. provided by a company and they highly influence commitment.

Historically employee intrinsic rewards were those services that helped curb absenteeism one being uncommitted. However, today as stated by Manzini and Gwandure, (2011) they have taken a broader scope and they include almost all aspects that relate to an employee's wellness and personal development in the work place. Its aim is to improve the work life of employees.

Manzini and Gwandure (2011) argues that, intrinsic rewards can be used to secure the labour force by providing proper human conditions of work and living through minimizing the hazardous effect on the life of the workers and their family members.

They help in raising the employees' living standards and increasing focus of the employments on work hence increase productivity and popularity of the company in general. The employees' success is based on what has been considered and hence these rewards should be guided by human values like cleanliness, training, educating on various scourges and epidemics. Work surrounding should include working hours, policies set up, how the workplace is designed and the workers' general carry out.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The third chapter outlined the procedure that governed the study. Focus was on the description of research design, the population targeted, collection of data and information data.

3.2 Research Design

The study research adopted descriptive survey design. This is constituent with Mugenda and Mugenda (2003) who contend that cross sectional studies are carried out once and represent a snap shot of one point in time. They further acknowledge that cross sectional studies help a researcher to establish whether significant associations among variables exist at some point in time.

3.3 Population Targeted

The sample size of the study is 110 employees out of the 367 respondents 30% of all the employees. Random sampling was used to select the units being sampled in order to ensure that all employees had an equal chance of being represented.

Table 3.1: Population Targeted

Category	Number	Percentage %	Sample Size
Top Level	15	30	50
Middle Level	65	30	217
Junior Staff	30	30	100
Total	110	30	367

3.4 Data Collection

The study collected primary data. This data was collected using a semi- structured questionnaire which comprised of closed ended questions.

The questionnaire had three parts: A which captured information on background information of the respondents the remaining part was based on the research variables. Section B captured data on intrinsic rewards and section C captured data on employee commitment. The respondents comprised of top level managers, middle level managers and operatives.

3.5 Research Instruments

To avoid useless data the instruments used in collecting this information has to be selected properly. Being vivid in several characteristics, coupled with the fact that it target a relatively small population geographically spread in the four locations within Kenya, the researcher developed and used questionnaires as the key data collection instrument. The questionnaire items comprised of both closed ended and open- ended questions, as well as matrix items that gave the advantage of collecting both qualitative and quantitative data, in addition to generating maximum information.

3.6 Information Analysis

Quantitative data gathered was determined through expository statistics through IBM (Version 22: percentages, averages, standard deviations and frequencies. Bar charts, graphs and pie charts depicted the information. Counting responses, percentage computing of varying responses and expressing and elucidating the data in line with the study objectives also depicted information.

This study was concerned with examining the how intrinsic rewards affects employees' commitment in Kenya's Fairmont Group of Hotels A regression model was used to depict the connection between the various variables. The equation was as shown:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where, E = Employee commitment, β_0 = is a constant, β_1 and β_2 = regression coefficients, X_1 = Career growth, X_2 = Meaningful work, X_3 = Empowerment, X_4 = Flexibility at work and ε = Error term

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The purpose for this study was to establish whether intrinsic rewards influence employee commitment in Fairmont group of hotel in Kenya. The chapter contained the respondents' personal information: the results of the study based on its aims. The respondents include persons who are participating in the operations of Fairmont group of hotels in Kenya.

A total of 110 key respondents from the Fairmont group of Hotels in Kenya were targeted. Various questions were posed on the questionnaires in relation to what the research was about. The one carrying out the research was able to reach out to the intended groups whose response helped to achieve the objectives of the study.

4.2 Questionnaire Return Rate

This is the percentage of the questionnaires that were returned to the researcher and which were deemed well completed for the sake of summary. In this study 110 questionnaires were issued to the employees out of which, 80 were returned giving a return rate of 72.7 percent. This response rate was considered to be excellent. This was accredited to the insistence and much follow-up of the researcher who insisted in the need to fill the questionnaires appropriately. They therefore completed the questionnaire within a short period of time.

4.3 Background Information of Respondents

This section elaborates background information of the respondents. It entails their sex, learning level, length of time they had worked. They were vital for the study as they would aid in identifying the varied attitudes of both towards commitment in their work, thus what may trigger their performance.

4.3.1 Respondents' Ages

The study attributed age to the state of unemployment in the country hence concluded the chance of young people being few in the company. They also attributed age difference to influence the rate of job commitment as it is believed that young people tending to be less committed than the elderly. The respondents' responses were then recorded in the table below: Table 4.1.

Table 4.1: Respondents' Ages

Age in Years	Frequency	Percentage
Under 26 years	9	11
Between 26 and 35 years	7	9
Between 36 and 45 years	12	15
Between 46 and 55 years	18	23
Between 56 and 65 years	27	34
Over 66 years	7	9
Total	80	100

Source: Field data. 2016

From the finding show in the table above, the study revealed that, 34% were aged between 56-65 years making the majority, 23% indicated that they were aged between 46-55 years, 15% of the respondents also indicated they were aged between 36-45 years, 11 % of the respondents indicated were aged below 26 years and 9 % of the respondents indicated were aged between 26-35 years. This is an indication that respondents were well distributed in terms of their ages.

4.3.2 Respondents' Sex

The study attributed the respondents' sex to affecting their commitment in their job performance against the various sex roles in the various working environments. The respondents' responses were hence recorded in the following table 4.2:

Table 4.2: Respondents' sex

Sex	Frequency	Percentage
Men	35	44
Women	45	56
Total	80	100

Source: Field data. 2016

Reflected in table 4.2 is that, work in Fairmont group of hotels seem majority of the respondents as shown by 56% were females. In spite of the respondents' sex not controlling commitment to a lot of extent; it was significant in depicting how different sexes require various treatments which could affect their commitment in their work. However, the level of influence foreseen was unclear.

4.3.3 Respondents' Education Level

Because of the strict strong professional ethics and codes of conducts needed for any profession, the study expected the respondents' education level to affect their level of commitment to a great extent hence expected the respondents to fill in their education details.

Table 4.3: Education Level

Level	Frequency	Percentage
High school	42	53
Certificate	17	21
Diploma	11	14
Degree	7	9
Post Graduate	3	4
Total	80	100

Source: Field data. 2016

Reflected in table 4.3 is that, the average level of education of employees in Fairmont group of hotels certificate level. As expected, the highest cohort of education level of employees are high school certificate holders (53%), followed by ordinary certificate holders (21%) and the lowest percentage in this respect are those holding post graduate degrees (4%).

4.3.4 Characteristics of Respondents by Duration of Service

The study attributed commitment in one’s job to be highly affected by one’s period in the company. It assumed that those employed for a short span tend to be more committed as compared to those who had worked for a long period of time. Also one being promoted would tend to be more committed in his/ her work as compared to one about to retire who would be less committed. The respondents’ responses were summarised below:

Table 4.4: Period of Time having worked

Years of service	Frequency	Percentage
Less than 1 year	14	18
Between 1 and 2 years	10	13
Between 2 and 5 years	22	28
More than 5 years	34	43
Total	80	100

Source: Field data. 2016

As shown in the table 4.4 majorities of the employees as shown by 43% had fairly worked for a considerable time and they would tend to be less committed in their work.

4.4 Intrinsic Rewards

Intrinsic rewards were measured on, the career growth and development, flexible work schedules, meaningful work and employee empowerment. The researcher used 5 scale likert to get responses. On a scale of 1-5, where 1-strongly disagree and 5 strongly agree,

respondents were required to indicate the extent to which they agreed or disagreed with the given statements on each of the intrinsic rewards variable. The following section discusses the findings of each element.

4.4.1 Influence of Career Growth & Development on Employ Job Commitment

In measuring the influence of career growth and development on job commitment, the researcher sought to establish if the Fairmont group of hotels in Kenya had any form of intrinsic rewards policy in place. The respondents' responses as to whether they agreed with these statements on career growth & development reward system in the company as shown below:

Table 4.5: Career growth & development

		Mean	Std. Deviation
A	I am highly committed because of the career growth & development prospects in this organization	4.87	0.95
B	Employee promotion takes a centre stage in our organization	4.46	0.92
C	You would continue to work for this organization whether you are demoted or not.	2.20	1.59
D	Career growth and development is not really a factor that would make me work or stop working for this organization	2.70	0.45
E	Career growth& development is not linked to individual performance	2.67	1.35

Source: Field data. 2016

The findings shown on Table 4.5 suggest that a high percentage of employees are committed because of the career growth and development prospects in this organization

followed by the fact that Employee promotion takes a centre stage in motivating employees. Career growth and development indicator received an emphasis of (mean of 4.87 and std. 0.95) while employee promotion (M=4.46 and std, of 0.92). Based on the respondent responses, this factor engages the company's resources to be in line with the employees' and company's needs. It is seen as a concern to scholars, researchers, those who make decisions and affects company's issues like recruitment, selection, training and development, promotion that come from career development.

More often, the basis upon which intrinsic reward is given could indicate the extent to which such are used effectively in order to motivate employees to fully get committed to their duties. However, should they be used for clandestine reasons such as rewarding cronies, the purpose for which they were to be given would be defeated and the results ironically would be frustrations. Intrinsic rewards should therefore be contingent upon accomplishment of certain tasks.

The analysis above can be concluded to show a significant mean difference in the career growth and development parameters. Empowering employees reported the lowest mean of 2.20 while prospects of career development score the highest mean of 4.87 with standard deviation of 0.95, followed by promotion prospects (Mean 4.46 and std of 0.92). This implies that most of the employees regard career development highly in terms of commitment.

4.4.2 Influence of Flexible Work Schedules

It is possible to use flexible work schedules to enhance employee commitment and by extension improved performance. It suggests a difference in time and place one works and also entails career breaks, part-time and term-time working.. The respondents were asked to indicate the extent to which they agree or disagree with the given set of statements on flexible working schedules reward system in the company as shown below:

Table 4.6: Flexible work schedule

		Mean	Std. Deviation
A	Flexible Scheduling in the Work place affects our commitment to the organization	2.80	1.23
B	There exists a policy on flexible work schedule	3.40	1.51
C	Flexible work schedule motivates employees	4.00	0.94
D	The organization appreciates work-life balance	4.30	0.68
E	Flexible work schedule is applicable across the organization	4.50	0.53

Source: Field data. 2016

Based on the analysis above, it can be said that flexible work schedule is applicable across Fairmont group of hotels as it scores favourable (mean 4.50 and std of 0.53), followed by the fact that the organization appreciates work-life balance (mean 4.30 and std of 0.68). The research further revealed that flexible work schedule motivates employees and this indicator received a favourable score (M= 4.00 and std of 0.94). Other indicators received less favourable rating; existence of a policy on flexible work schedule (mean 3.40 and std of 1.51) and flexible Scheduling in the work place affects employee commitment to the organization (mean 2.80 and std of 1.23). The above results therefore indicate that generally employees' commitment is positively impacted by flexible work schedules.

4.4.3 Meaningful Work

The researcher believed that the extent to which work is perceived as meaningful influences the level of employee commitment. Meaningful jobs are said to elicit positive feelings like accomplishment, and contribute to an employee achieving his goals. Fulfilment, satisfaction, autonomy have been told to affect a meaningful job. The respondents' responses as to whether they agreed with these statements on meaningful work reward system in the company as shown below:

Table 4.7: Meaningful work

		Mean	Std. Deviation
A	A sense of your work being meaningful affects your commitment to the organization	4.29	0.95
B	Every employee is clear on what their work entails and the expected outcome	3.93	0.68
C	There is a policy in place governing every individuals contribution in the organization	3.78	0.64
D	Individual employee contribution is recognized in the achievement of the overall organizational goals.	3.71	1.63
E	Every individual contribution is recognized across the organization.	2.67	1.35

Source: Field data. 2016

Based on the analysis above (mean 4.29) it was identified that ones' sense of work being meaningful affects their commitment to the organization whereas individual contribution recognized across the organization received the least favourable response in enhancing job commitment.

4.4.4 Empowerment

The researcher was interested in establishing whether empowering employees would impact on their organizational commitment. The respondents' responses as to whether they agreed with these statements on empowerment in the company as shown below:

Table 4.8: Empowerment

		Mean	Std. Deviation
A	Empowerment affects your commitment to the organization	2.65	1.37
B	The current processes of work are acceptable	3.74	1.61
C	There is a policy in place governing empowerment of employees	3.65	0.69
D	Freedom to make a choice on how to perform your duties has made you a more productive employee	4.38	0.94
E	All employees are well aware that they can choose to do things differently when situations call for	3.74	1.61

Source: Field data. 2016

Table 4.8 is actually a confirmation that freedom to make choices on how they perform their duties was considered appropriate. Empowerment is perceived as a solution to highly regulated workplaces where creativity was stifled and workers are alienated, showing discontent both individually and collectively. An empowered and committed workforce is widely claimed to be essential for the effective functioning of modern organizations. Empowerment is taking on responsibility of work and related activities. It is a motivational process of being enabled.

4.5 Employee Commitment

For commitment to occur there has to be some kind of motivation in terms of rewards to the employee in various ways. On account of this, intrinsic rewards offered to employee in Fairmont group of hotels could enhance motivation levels amongst employees.

The third part of the questionnaire was designed to indicate employee commitment on the basis of affection, continuance and normative levels of commitment. The questions were designed to measure levels of commitment using intrinsic rewards. The study reveals that an optimistic link exists between intrinsic rewards and affective, continuance and normative employee commitment. Furthermore, there is a direct link between employee commitment and career growth, flexible work schedules, meaningful work and empowerment. Intrinsic rewards are vital for motivation and increasing performance as commitment is highly affected by rewards and gratitude.

4.5.1 Affective Commitment

In order to effectively motivate people to improve job commitment, intrinsic rewards should be made frequently so that the vigour to work hard is equally facilitated. Their responses were summarised as follows:

Table 4.9: Affective commitment

		Mean	Std. Deviation
A	This organization is of great personal meaning to me	4.32	0.95
B	I would remain happy working for the Fairmount group of hotels for the rest of my career life.	2.71	1.35
C	I take this organizations problems as my own	3.79	0.64
D	I have a good understanding of where this organization is headed.	3.75	1.63
E	I would highly recommend this organization to anybody seeking employment	3.95	0.68

Source: Field data. 2016

Table 4.9 is actually a confirmation that most employees in FGH regard affective commitment levels with high esteem. In this respect, they regard FGH as of meaning to their personal lives (mean of 4.32 with a std of 0.95). The least regarded factor in

affective level of commitment being remaining happy while working in FGH (mean of 2.71, std. 1.35)

4.5.2 Continuance Commitment

Continuance commitment as a cost-induced commitment, using the following measures that if given it would make them leave the company. However it was not clear if these measures influenced continuance commitment.

Table 4.10: Continuance commitment

		Mean	Std. Deviation
A	My life would be disrupted if I stopped working for this organization	1.86	0.63
B	Leaving this organization would be a personal sacrifice since no other organization can match its benefits	1.23	0.64
C	I can stop working for this organization even if I did not have another job.	1.42	0.69
D	It would be very difficult for me to stop working for this organization.	1.34	0.78
E	I feel very little loyalty to this organization	1.32	0.54

Source: Field data. 2016

The implication of this statistic in table 4.10 is that the majority of the respondents (mean of 1.86, std. 0.63) identified themselves with high levels of continuance commitment to the extent that if they stopped working in FGH, their lives would be disrupted. This is in agreement with the study carried out by Ajmal et al., (2015) who established that continuance commitment is closely associated with overall employee commitment. On the flip side, the statics imply that employees in FGH are loyal to the organization (mean of 1.32 with std. Of 0.54)

4.5.3 Normative Commitment

The responses based on how respondents understood normative commitment were as follows:

Table 4.11: Normative commitment

		Mean	Std. Deviation
A	I believe in being loyal to my employer	1.53	.69
B	I feel morally obligated to continue working for the Fair mount group of hotels	2.57	.65
C	Things have become worse since people started jumping from one organization to another.	2.10	.62
D	I would not find it right to move to another organization even if I got a better package	2.88	.63
E	I don't think the number of years I work for this organization matters at all.	1.34	.72

Source: Field data. 2016

With respect to the dimensions of employee commitment assessed by the normative commitment, Table 4.11 indicates that the means for the various measurement indicators ranged from a low of 1.34 (std. dev. 0.72) to a high of 2.88(std. dev. 0.63).

This implies shows that employees in the sample is most likely to be motivated due to their working conditions, personal and general dimensions. They are least motivated by the payment they receive and recognition as determined by the Work Motivation and Satisfaction Questionnaire.

4.6 Summary of Regression

To investigate the link among variables (independent) for the study numerous regression analysis were carried out. SPSS was used to help in calculating the numerous regressions in the study.

Model Summary

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.78 ^a	0.6084	0.5862	0.76778

Adjusted R squared is coefficient of determination which tells us the variation in the dependent variable due to changes in the independent variable. From the findings, the dependent variable (employee commitment) that is explained by all the four independent variables (career growth and development, flexible work schedules, meaningful work and empowerment).

The four independent variables that were studied, explain only 58.62% of the employee commitment as represented by the R^2 . This therefore means that there are other factors not studied in this research which contribute to 41.38% of the employee commitment.

Table 4.13: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.534	2	1.267	54.455	.024 ^a
Residual	9.307	40	2.327		
Total	3.465	42			

The significance value is .024 which is less than 0.05 thus the model is statistically significant in predicting how intrinsic rewards influence employee commitment in Fairmont group of hotels in Kenya. The F critical at 5% level of significance was 3.23. Since F calculated is greater than the F critical (value = 54.455), this shows that the overall model was significant.

Table 4.14: Coefficient of determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.121	1.223		.917	.367
	Career growth and development	.210	.104	.157	3.081	.188
	Flexible work schedule	.180	.145	.087	2.578	.267
	Meaningful work	.396	.204	.155	2.960	.045
	Empowerment	.722	.224	.512	3.229	.003

The researcher conducted a multiple regression analysis so as to determine the relationship between employee commitment in Fairmont Group of hotels in Kenya and the four variables. As per the SPSS generated table 4.10, the equation ($E = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$) becomes:

$$E = 1.121 + 0.210 X_1 + 0.180 X_2 + 0.396 X_3 + .722 X_4$$

Where, E = Employee commitment, β_0 = is a constant, β_1 and β_2 = regression coefficients, X_1 = Career growth, X_2 = Flexibility at work, X_3 = Meaningful work, X_4 = Empowerment and ϵ = Error term

The concluded equation considering all accounts, (career growth and development, flexible work schedule, meaningful work and empowerment) had zero constant, employee commitment in Kenya's Fairmont group of hotels in was 1.121. It was concluded having all other variables at 0, career growth increase would result to 0.722 employee commitment increase at Kenya's Fairmont Group of Hotels. Same case applied to increasing flexible work schedule's unit would increase employee commitment to 0.396 at Kenya's Fairmont Group of Hotels: the same case applied to increasing meaningful work unit which would lead to a 0.210 employee commitment increase and a unit increase in and empowerment would lead to a 0.180 increase in employee commitment in Fairmont group of hotels. It was therefore concluded that intrinsic reward highly affects employee commitment.

Career growth therefore was significant to 0.003, flexible working schedules was significant to 0.045, meaningful work was significant to 0.188 and empowerment was significant to 0.188 and empowerment was significant to 0.267 if 5% made significance and 95% made confidence. The most significant was career and development The t critical at 5% level of significance at $k = 4$ degrees of freedom is 2.245. Since all t calculated values were above 2.245 then all the variables were significant in explaining employee commitment.

4.7 Discussions

Top administration of the Fairmont Group of Hotels in Kenya need to appreciate intrinsic rewards as suggested by the study and how it's related to general performance. Specifically, career growth and development factors, flexible work schedules, meaningful work and empowerment need to be enhanced or otherwise changed so that they become more acceptable. These outcomes are consistent with the postulations of Almal et al., (2015). Using lip service to an employee neglecting the intrinsic reward system would be deemed as insincere.

The study contributes to the body of literature by applying a customized set of intrinsic reward factors in an understudied of the important hospitality sector in Kenya. The findings reveal that a great percentage of employees of the Fairmont Group of Hotels in Kenya really value the organization and take the organizations problems as their own. Alhassan (2012) explains that when employees feel highly as part of the organization, there is great commitment and this makes them have a sense of belonging.

This study has exposed the need for employees to be rewarded frequently after working because it will in turn increase their work performance and commitment, it will also improve the relationship between the employer and employee. Hence motivating them to be more committed in their work which is most essential. The study also reveals that optimum commitment is attained when employees feel that their efforts are rewarded adequately.

CHAPTER FIVE: DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The discussion of what was found from the study, how it was summarised and concluded are all discussed in depth in this chapter.

5.2 Summary

It was brought up to investigate how intrinsic rewards affect employee commitment at Kenya's Fairmont Group of Hotels. In chapter one of the project, the background of the study was well outlined. It covered intrinsic rewards offered in developed and developing countries, in Kenya and singled out to Fairmont group of hotels.

The statement of the problem was that employees in Fairmont group of hotels were devoting their time to the daily job operations exhibiting high commitment levels.. The purpose of the study was well outlined and objectives to guide study were developed. The significance of the study was well outlined. Literature was reviewed in chapter two under the following sub-topics; theoretical underpinning, intrinsic rewards, employee commitment and summary of literature review.

A descriptive survey design was used to analyse the information where a sample size of 110 employees in Fairmont group of hotels in Kenya The target population was 110 employees in Fairmont group of hotels in Kenya. The statistics that were descriptive used the SPSS to analyse its information. The research questions were answered. Frequencies and percentages were used to establish variables that were independent career growth and development, flexible work schedule, meaningful work, empowerment and different levels of employee commitment.

5.3 Summary of the Study Findings

The objective of the study was to determine the influence of intrinsic rewards on employees' commitment in Fairmont Group of Hotels in Kenya. The study revealed that

60% of the respondents were motivated by intrinsic rewards to work harder. Career growth and development, flexible work schedules, meaningful work and empowerment influenced respondents in desiring to get more committed to their jobs .

The study also found out that the intrinsic reward given to employees of Fairmont group of hotels were less adequate as indicated by the respondents (73.3%) and did not meet the threshold of motivators and hence employees were unlikely to commute to their respective tasks. This is in line with Bartol (2010) who noted that workers need superior intrinsic rewards as it is the greatest determinant to organizational commitment. He noted that workers never mind putting in more working time provided that such additional duties and engagement come with some intrinsic rewards. The study found out that the frequency of rewarding employees had hardly been embraced since they were rewarded occasionally and this was to be blamed for insignificant job commitment among employees.

In line with the Shanks' (2007) assertions, a higher percentage of employees are committed by their perception on the absence or presence of career growth and development prospects in organizations. The study found out that career growth and development scored high in this regard, followed by the fact that Employee promotion takes a centre stage in motivating employees. Career growth and development indicator received an emphasis of (0.722) while employee promotion (0.396).

The study also revealed that flexible work schedule is applicable across the organization and scored favourable (mean 4.50) followed by work-life balance (mean 4.30). The research further revealed that flexible work schedule motivates employees and this indicator received a favourable score (4.00). Other indicators received less favourable rating; existence of a policy on flexible work schedule (mean 3.40) and flexible Scheduling in the work place affects employee commitment to the organization (mean

2.80). The above results therefore indicate that generally employees' commitment is positively impacted by flexible work schedules.

5.4 Assumptions

The relationship between career growth, flexible work schedules meaningful work, organisational commitment and work engagement can be viewed as advantageous to human resource development practitioners and managers, enabling them firstly to develop workplace strategies and secondly to contribute towards improving positive workplace outcomes. It is evident that career growth and development, flexible work schedule, meaningful work and employee empowerment can lead to more engaged and committed employees.

The study based on influence of intrinsic rewards such as career growth and development, flexible work schedule, meaningful work and empowerment in Fairmont group of hotels. The study established that Fairmont group of hotels in Kenya recognize the need for motivating her employees to achieve enhanced performance. The essence of a reward policy in organizations has a great impact on employee motivation.

The study concludes that employees of Fairmont group of hotels are motivated by intrinsic rewards to perform better. Career growth and development, flexible work schedules, meaningful work and empowerment influenced respondents' desire to perform better. The consequence of not providing intrinsic rewards to employees no matter how energetic and enthusiastic they may seem, will have a bearing on the level of commitment which, might not produce the required result in performance. Likewise, employee action to satisfy motivation could be affected by the negative context of the working environment.

5.5 Limitations of the Study

Out of the 110 respondents targeted 80 responded giving a response rate of 73%. Statistically this is acceptable but the researcher would have wished for a higher response rate which would enrich the findings. A higher response rate would have been possible if the researcher had a chance to meet all the respondents which was not possible because some work in shifts. This forced the researcher to make several trips to and from the hotel premises in order to get hold of the respondents. This had cost and time implications to the respondent.

Critically, a good equation modelling method was not used to analyse the information given. This led to limited information as SEM requires a high sample size so as to bring about accurate results. In spite of SEM giving accurate results it would be difficult in basing conclusions.

5.6 Recommendations

This research is highly recommended to other industries and for future academic researchers as it will add much value to them with having some knowledge on commitment practices.

Fairmont group of hotels should ensure that they formulate policies that improve the terms and working condition of all employees by considering intrinsic rewards so as to improve their level of commitment.

Formulators and implementers of HR should ensure that there is a clear policy in place which caters for employee commitment and motivation.

There is need for further research work to be done on factors contributing to lack of motivation and job satisfaction among employees in Fairmont group of hotels.

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APPENDICES

Appendix I: Introduction Letter



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 27/09/2016

TO WHOM IT MAY CONCERN

The bearer of this letter PATRICIA WANJIKU KIBIGO

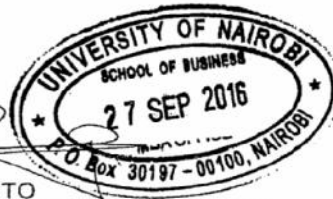
Registration No. DC1/64401/13

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.



PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

Appendix II: Questionnaire

The influence of intrinsic rewards on employee commitment in Fairmont Group of Hotels in Kenya

Dear Respondent,

The purpose of this questionnaire is to collect data from Fairmont Group of Hotels in Kenya. The information will be used to study the influence of intrinsic rewards on employee commitment in Fairmont Group of Hotels in Kenya. The data will be used for academic purposes only and will be treated with strict confidence. Kindly spare some time to respond to the questions.

Section A: Demographic Information

1. What is your Gender? Male Female

2. How long have you worked for the Fairmont group of Hotels?

Below 1 year

1-5 years

Above 5 years

3. What is your Age?

Under 26 years 26 to 35 years 36 to 45 years

46 to 55 years 56 to 65 years 66 years or older

4. What is your highest level of Education?

High school

Certificate

Diploma

Degree

Masters degree

Other

Section B: Intrinsic Rewards

On a scale of 1-5, where 1-strongly disagree and 5 strongly agree, please indicate the extent to which you agree or disagree with the following statements on each of the intrinsic rewards.

1	Career growth & development	1	2	3	4	5
A	I am highly committed because of the career growth & development prospects in this organization					
B	Career growth and development is not really a factor that would make me work or stop working for this organization.					
C	You would continue to work for this organization whether you are demoted or not.					
D	Employee promotion takes a centre stage in our organization					
E	Career growth& development is not linked to individual performance					

2	Flexible work schedules	1	2	3	4	5
A	Flexible Scheduling in the Work place affects our commitment to the organization					
B	There exists a policy on flexible work schedule					
C	Flexible work schedule motivates employees					
D	The organization appreciates work-life balance					
E	Flexible work schedule is applicable across the organization					

3.	Meaningful work	1	2	3	4	5
A	A sense of your work being meaningful affects your commitment to the organization					
B	Every employee is clear on what their work entails and the expected outcome					
C	There is a policy in place governing every individuals contribution in the organization					
D	Individual employee contribution is recognized in the achievement of the overall organizational goals.					
E	Every individuals contribution is recognized across the organization.					

4	Empowerment	1	2	3	4	5
A	Empowerment affects your commitment to the organization					
B	The current processes of work are acceptable					
C	There is a policy in place governing empowerment of employees					
D	Freedom to make a choice on how to perform your duties has made you a more productive employee					
E	All employees are well aware that they can choose to do things differently when situations call for					

Section C: Commitment towards the organization¹⁰. On a scale of 1-5, where 1- strongly disagree and 5 strongly agree, please indicate the extent to which you agree or disagree with the following statements concerning **commitment to the organization** programs in your organization.

1	Affective commitment	1	2	3	4	5
A	This organization is of great personal meaning to me					
B	I would remain happy working for the Fairmount group of hotels for the rest of my career life.					
C	I take this organizations problems as my own					
D	I have a good understanding of where this organization is headed.					
E	I would highly recommend this organization to anybody seeking employment					

2.	Continuance commitment	1	2	3	4	5
A	My life would be disrupted if I stopped working for this organization					
B	Leaving this organization would be a personal sacrifice since no other organization can match its benefits					
C	I can stop working for this organization even if I did not have another job.					
D	It would be very difficult for me to stop working for this organization.					
E	I feel very little loyalty to this organization					

3.	Normative commitment	1	2	3	4	5
A	I believe in being loyal to my employer					
B	I feel morally obligated to continue working for the Fairmount group of hotels					
C	Things have become worse since people started jumping from one organization to another.					
D	I would not find it right to move to another organization even if I got a better package					
E	I don't think the number of years I work for this organization matters at all.					