



# THE IMPACT OF MOTIVATION ON EMPLOYEE-SATISFACTION AND WORK-PERFORMANCE WITHIN GHANA'S HOSPITALITY INDUSTRY

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## KeyWords

Employee-Satisfaction, Hospitality, Human Resource Management, Job Satisfaction, Motivation, Tourism, Work-Performance

## ABSTRACT

The study provides empirical evidence for the impact of motivation packages on employee-satisfaction and work-performance within Ghana's hospitality industry. A multistage sampling technique involving the purposive selection of three hotels and one restaurant and the stratified categorization of the population into sub-groups based on the different departments within these establishments, was used in the random selection of 202 employees from some selected hotels and restaurants within Accra. The study set out to identify motivation factors within the industry and assess the impact of motivation on the satisfaction and performance of employees. The independent variables (motivation factors) as well as the dependent variables (employee-satisfaction and work-performance) were modeled into two multiple regression equations, the results of which showed that the most important predictors of employee-satisfaction are good working conditions and job security while salary and skills & knowledge development impact work-performance the most. The results showed a positive relationship between motivation and all significant variables, with salary having the most impact on work-performance.

## BACKGROUND

Motivation sums up all the different psychological procedures that are aimed at providing and/or influencing behaviour, purpose and direction (Kreitner, 1995) -an internal effort to fulfill a disgruntled need (Higgins, 1994) and the desire to accomplish precise activities and feats/goals (Bedeian & Buford, 2013). Over the years, motivation has become an integral part of business strategy and an important cog in the operational mechanism of successful businesses. Motivation of workers has been linked to better work-performance facilitated by on-the-job employee-satisfaction. Employers thus seek to motivate employees in order to facilitate the attainment of organization goals and objectives. In looking to maximize and optimize the benefits gotten from employee-performance, employers must seek to significantly impact employee-satisfaction through policies that develop and improve the human resource of the firm. Human resource management is therefore an important aspect of business operations, very relevant towards achieving business targets. Experts maintain that human resource management (the conduit of employee-motivation) remains the most vital business strategy as it has a direct bearing on the emotions of employees, which in turn tells on their behaviour or attitudes towards work within the organization. According to the Hawthorne studies, employees/workers are not mere contribu-

tions to the creation of goods and services but are factors of production whose character and behavior are linked directly to a business's success.

As is the case in all business endeavors, the hospitality industry presents a good example of the role of employee-motivation towards the effective achievement of business targets. Hospitality is a very vital component of tourism and involves the very crucial task of providing essential services to customers of hotels, restaurants and other service providers within the tourism supply and value chain. In Ghana, tourism is one of the biggest contributors to the economy, contributing about 4.9% to GDP in 2018 and ranked the fourth highest foreign exchange earner after Cocoa, Gold and Oil & Gas (Ministry of Tourism, Arts and Culture, 2019). Seeing as the backbone of the tourism sector is the hospitality industry, it is relevant that research is carried out to investigate intrinsic and extrinsic motivation in the hospitality industry to improve employee-performance (Halbesleben & Wheeler, 2007). Hotels and restaurants are some of the more pivotal sectors of the hospitality industry as they cater to the needs of tourists and other customers alike. The hospitality industry includes all establishments that provide accommodation and food services, and is considered as a "people business". The performance of employees plays a vital role in determining the viability of these hospitality agencies. This study takes a critical look at the impact of motivation on the satisfaction and performance of the workforce employed by the hospitality industry, the results of which could inform employers and business owners on how to motivate employee-output maximization and increase productivity and turnover/revenue.

The specific objectives of the study are to identify motivation packages and assess the impact of motivation on employee-satisfaction and work-performance within the hospitality sector.

## **METHODOLOGY**

The study employed an exploratory research design, purposively selected 3 hotels (Best Western Premier Hotel, Airside Hotel and Golden Tulip Hotel) and 1 restaurant (Asanka Delight) and interviewed a total of 202 respondents. Selection of these establishments was based on life span, performance, reputation and relevance to the economic growth of Ghana. A stratified sampling technique was used to divide the population of interest into sub-groups based on their departments, and then the units for the sample size were selected randomly. Data was collected with the aid of questionnaires that sought to glean information on the demographic characteristics of the employees as well as information on motivation methods in the hospitality industry and their effect on employee-satisfaction and work-performance.

## **Research Hypotheses**

The underlying hypotheses of the study are that;

H<sub>1</sub>: there is a significant positive relationship between motivation and employee-satisfaction.

H<sub>2</sub>: there is a significant positive relationship between motivation and work-performance

## **Analysis of Data**

A multiple regression method was adopted to assess the effect of motivation on employee-satisfaction and work-performance - the relationship between motivation and employee-satisfaction, and motivation and work-performance.

The model is specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \epsilon$$

Where Y is the dependent variable

$\beta_0$  is the intercept which is constant

$\beta_1 - \beta_n$  are parameters to be estimated

$X_1 - X_n$  are the determinants of Y

$\epsilon$  is the error term

To identify the factors influencing employee-performance:

*Model One*

$$Y_{ES} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \epsilon$$

Where  $Y_{ES}$  = Employee-satisfaction

$X_1 - X_2$  = determinants of employee-satisfaction

To identify the factors that influence work-performance:

*Model Two*

$$Y_{WP} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \epsilon$$

Where  $Y_{WP}$  = Work-performance

$X_1 - X_2$  = determinants of work-performance

## RESULTS

### Demographic Characteristics of Respondents

#### Gender distribution

Of the respondents interviewed, 58.2 % were female and 41.8% male. This could be indicative of a larger female presence within the hospitality industry.

Table 1-1: Gender of Respondents

Gender	Proportion (%)
Female	58.2
Male	41.8

#### Age Distribution

The age range with the highest number of respondents was between 26 and 30 years representing 42.4% of respondents. About 65% of sampled workers were 40 years and below, indicating a youthful workforce. This information could serve as an important guide in determining packages for the hospitality workforce – packages that are better suited to younger workers.

Table 1-2: Age of respondents

Age Distribution	Proportion (%)
Below 25	14.3
26-30	42.4
31-35	20.1
36-40	2.5
41-45	14.3
46 and above	6.4

### Number of Years of Service in the Hospitality Industry

The results revealed a wide range of years spent by employees in the hospitality business, the range with the highest representation being between 2 and 3 years (33%) and the range with the least representation being 5 years and above (9.4%). This could be an indication of low employee-retention rates within the hospitality industry.

Table 1-3: Number of years of Service

Number of years of service	Proportion (%)
Less than 1 Year	15.3
1-2 Years	30.5
2-3 years	33.0
3-4 years	11.8
5 Years and above	9.4

### Educational Level of Respondents

The educational level of respondents was an important parameter considered in the data collection process. The results indicated a fairly educated/skilled workforce represented by about 2.6%, 41.3% and 18.7% PhD, Bachelor's and Master's degreeholders respectively, implying that about 62.6% of respondents are graduates of tertiary institutions.

Table 1-4: Level of Education

Educational level	Proportion (%)
Secondary School	37.4
Bachelor's	41.3
Master's	18.7
PhD	2.6

### Designation of Employees within the industry

Table 1.5 presents the various designations of respondents interviewed for the survey. The majority of them (43.9%) were operational workers, which includes all workers below a supervisory role. About 28.6% of the respondents were in some supervisory position, 23.6% of them in managerial positions and 3.9% of them being directors of their respective establishments.

Table 1-5: Positional role of workers

Position	Proportion (%)
Director	3.9
Manager	23.6
Supervisor	28.6
Operational worker	43.9

### Factors Which Influence Employee-Motivation

Among the motivation packages presented to respondents, the majority of them (32.6%) selected salary bonuses/increments as the most important. This is understandable because employees who are paid well are normally more committed to their work and do so with a lot more enthusiasm. These workers are able to better finance their fundamental needs, as depicted by Maslow in his hierarchy of needs model. About 24.6% of respondents believed that incentives in the form of shopping vouchers (as a form of fringe benefit) was the most important motivation. These benefits are paid employees mostly based on their level of responsibility or the length of service and could go a long way to augment their monthly salaries. These two extrinsic types of motivation accounted for about 57.2% of employees' interest.

Table 1-6: Incentives to employees

Incentives/Motivation	Proportion (%)
Healthcare benefits	13.3
Promotions	5.9
Recommendations	10.3
Salary bonuses	32.6
Shopping vouchers	24.6
Sponsored vacations	13.3

Considering that the hospitality industry has a more youthful workforce (65% of workers 40 years and below), it is understandable that their present needs might be more financial. The remaining 35% might prefer other packages that are related more to esteem, recognition and promotion.

### Motivation Factors that Affect Employee-Satisfaction

Respondents were asked to rank a number of motivation factors specific to employee-satisfaction. The task required the respondents to answer the question "which of these factors affect your satisfaction?". The wording of the question in this way was to examine the respondent's ability to differentiate between motivation and satisfaction. For instance, Herzberg's theory clearly indicates hygiene factors as a contribution to job satisfaction, while motivation factors contribute to motivation. The researchers were also interested in examining the assumption that motivation factors indeed contribute to employee-satisfaction (as well), and that once

again, the labels given all factors in the initial theory are more limiting than opportunistic, as indicated by Golembiewski and other previous researchers (Golembiewski, 1973; Mamdani & Mayfield, 1998).

Respondents described relationship with colleagues and the development of on-the-job skills and knowledge as the most important motivations for employee-satisfaction. They also believed that job security, good working conditions and infrastructural accessibility also contribute significantly to employee-satisfaction. Salary was ranked the sixth most relevant motivation factor towards employee-satisfaction while a pension plan was ranked the least in this category.

Table 1-8: Response to Satisfaction

	Mean	Std. Deviation
Relationship with colleagues	3.3911	1.15492
Developing skills and knowledge	3.3901	1.09300
Job security	3.3813	1.21588
Good working conditions	3.3741	1.14774
Infrastructural accessibility	3.3705	1.13889
Salary	3.3366	1.24810
Positive feedback from supervisors	3.2871	1.06352
Interesting work	3.2525	1.09295
Pension Plan	3.2400	1.05596

#### Motivation Factors that Affect Work-Performance

Respondents were also asked to rank a number of motivation incentives (specific to work-performance) in order of importance. Salary was understandably ranked as the most effective motivation for incentivizing optimum work-performance. This was followed by positive feedback from supervisors: workers consider affirmation as an important motivation factor. The least ranked motivation factor on the hierarchy of important influencers of work-performance was job security.

Table 1-7: Factors of Motivation

	Mean	Std. Deviation
Salary	3.4158	1.1950
Positive feedback from supervisors	2.4752	1.2466
Infrastructural accessibility	1.7723	.42040
Developing skills and knowledge	1.7673	.42359
Relationship with colleagues	1.7525	.43265
Pension plan	1.7030	.45809
Interesting work	1.7030	.45809
Good work conditions	1.6634	.47373
Job security	1.5842	.49409

## Results from the Regression Analysis for the Relationship Between Motivation and Employee-Satisfaction

Table 1-9: Multiple Regression with control variables on employee-satisfaction

Model 1		Unstandardized		Standardized		
motivation		Coefficients		Coefficients		
		B	Std. Error	Beta	t	P
(Constant)		0.678	0.328		2.131	0.048
Promotion		0.802	0.026	0.023	2.142	0.057
Good working conditions		0.752	0.036	0.245	2.97	0.001
Salary		0.078	0.036	0.345	0.961	0.084
Job security		0.613	0.029	0.072	2.665	0.003
Interesting work		0.007	0.037	0.038	0.252	0.801
Skills and knowledge development		0.139	0.04	0.516	0.01	0.062
Accessible infrastructure		0.003	0.032	0.033	0.244	0.722
Pension plan		0.012	0.027	0.054	0.789	0.308
Positive feedback from supervisors		0.084	0.351	-0.004	-1.86	0.052
Age	Below 25	0.536	0.850	0.284	0.859	0.080
	26-30	0.267	0.542	0.488	0.337	0.026
	31-35	0.410	0.759	0.403	0.859	0.072
	36-40	0.598	0.015	0.244	0.574	0.125
Gender	Male	-0.384	0.475	-0.138	-0.811	0.423
<b>R<sup>2</sup> =0.525, adj. R<sup>2</sup> =0.294, P=0.022</b>						

Predictors: motivation (promotion, job security, salary, good working conditions, interesting work, skills and knowledge development, accessible Infrastructure, pension plan, positive feedback from supervisors). Dependent variable: employee-satisfaction.

The results of the regression analysis for the effect of motivation on employee-satisfaction is presented in Table 1.9. The R-squared value of 0.525 shows that 52.2% of the variation in the dependent variable is explained by the independent variables, and this is fine-tuned by the adjusted R-squared value of 0.294 (29.4%). The other remaining 70.6% of the variability means that there may be other factors other than the ones selected in the study that need to be considered. It can also be seen that, both good working conditions and job security significantly influence employee-satisfaction [(B = 0.752, t = 2.97, p < 0.05) and (B = 0.613, t = 2.665, p < 0.05) respectively]. The other methods of motivation which are positive feedback from supervisors, pension plan, accessible infrastructure, promotion, interesting work, salary and promotion showed a significant impact on employee-satisfaction when p > 0.5. Gender was seen to have a negative influence on employee-satisfaction indicating that females are more satisfied in their jobs than their male counterparts. This was however statistically insignificant and so has little bearing on employee-satisfaction, per the results of this survey. The age range of 26-30 was seen to significantly influence employee-satisfaction at 5% while age ranges below 25 and between 31 and 35 were significant at 10%. An increase in the age of an employee, anywhere from 26 to 30 years, would

therefore significantly increase their job-satisfaction, ceteris paribus.

### Results from the Regression Analysis for the Relationship between Motivation and Work-Performance

Table 1-10: Multiple Regression with control variables on work-performance

Model 1		Unstandardized		Standardized	t	P
		Coefficients		Coefficients		
		B	Std.Error	Beta		
(Constant)		0.678	0.318		2.131	0.035
Promotion		0.002	0.016	0.013	0.142	0.887
Job security		-0.052	0.026	-0.235	-1.97	0.051
Skills and knowledge development		0.078	0.026	0.335	2.961	0.004
Good working conditions		0.013	0.019	0.062	0.665	0.508
Interesting work		0.007	0.027	0.028	0.252	0.801
Salary		0.139	0.03	0.506	4.61	0.001
Accessible infrastructure		0.003	0.022	0.023	0.244	0.722
Pension plan		0.012	0.017	0.044	0.789	0.308
Positive feedback from supervisors		0.004	0.341	-0.014	-1.855	0.062
Age	Below 25	0.203	0.568	0.063	0.358	0.723
	26-30	0.034	0.382	0.022	0.089	0.930
	31-35	-0.531	0.491	-0.256	-1.080	0.288
	36-40	0.380	0.681	0.098	0.557	0.581
gender	Female	-0.48	0.293	-0.29	-0.164	0.871
Model2		R	R. Square	Adjusted error	Std. Error OF Estimate	
		0.611	0.374	0.369	0.55529	
		0.636	0.404	0.395	0.54366	

Predictors: promotion, job security, salary, good working conditions, interesting work, skills and knowledge development, accessible infrastructure, pension plan, positive feedback from supervisors. Dependent variable: work-performance.

The results from the regression analysis of motivation on work-performance indicate that developing skills and knowledge ( $B = 0.078$ ,  $p < 0.05$ ) and salary ( $B = 0.139$ ,  $p < 0.05$ ) have a significant influence (statistically significant at 1%) on work-performance. Salary is thus the most significant influencer of work-performance. Job security and positive feedback from supervisors were statistically significant at 10%.



## Conclusion

The purpose of this study was to assess the impact of motivation on employee-satisfaction and work-performance in Ghana's hospitality industry. The findings of the study reveal that apart from salary, there are other important motivation factors that may drive effective and efficient work-performance within the hospitality industry. These include the interesting nature of the job, recognition/appreciation/positive feedback from supervisors, infrastructure accessibility, a working pension plan, and so on. The results however show that the most significant influencers of employee-satisfaction and work-performance are salary/remuneration, job security, good working conditions and prospects of developing the skills and knowledge of employees. Employees within the hospitality industry are best motivated when there are significant increases and improvement in these variables.

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