

Assessment of Shareholder Strategy – An Internal Corporate Social Responsibility Perspective on Organizational Commitment in Five-Star Hotels in Kenya

ABSTRACT

In Kenya, Five-Star hotels are leading in employees' turnover within the hotel industry at 68%. This surpasses the healthy turnover range (0-15%) and affect organizational performance through the high cost incurred to replace experienced workers. Workers' commitment in an organization plays a vital role in addressing turnover intentions. The objective of this study was to assess the influence of shareholder strategy on organizational commitment in five-star hotels in Kenya. The study applied descriptive research design, cross-sectional approach and quantitative method to examine the study variables. A total of 216 hotel managers in five-star hotels in Kenya was the target population of the study, out of this, 144 hotel managers were selected as sample size in 2021. A self-administered questionnaire was used to collect data and a response rate of 86.8% was obtained. The study applied both descriptive and inferential statistical approaches to analyze data with tabulation, figures and narrative output presentation. The study found that Shareholder Strategy has statistically significant and positive effect and explains 53.1% variation of the Organizational Commitment in Five-Star hotels in Kenya. Empowering the workers with ability for decision-making, problem solving, and planning activities fosters loyalty and commitment which drastically reduces turnover intentions. The study recommends to the hotel management and Kenya Association of Hotelkeepers & Caterers to strive to formulate and implement CSR embedded Shareholder Strategy for raising workers' Commitment with the aim to attract, motivate, and retain workers. The study suggests replication of the study in the same or other sectors to develop further the Internal CSR field.

Keywords: Shareholder Strategy, Organizational Commitment, Internal CSR Strategies, Five-Star Hotels

1. INTRODUCTION

1.1 Background to the study

The hospitality sector is globally considered to be a multibillion business, providing services to millions of people, and with projection to positive growth in the future (McGinley, Hanks & Line, 2017), with the trend toward 2030 expectation of attracting 1.8 billion tourists and 277 million jobs creation (United Nations World Tourism Organization [UNWTO], 2019). The industry is labour-intensive sector that employs 1.1 and 313 million workers representing 9% and 9.9% of all formal jobs in Kenya (Kenya National Bureau of Statistics - [KNBS], 2019) and worldwide ([UNWTO], 2019) respectively.

Globally, in United States of America (USA) a study conducted by McGinley, *et al.*, (2017) in examining through CSR context on the barriers in attracting new applicants in the hospitality industry, they found that internal CSR

practices such as workers' career development and their fair remuneration has shown a positive influence on the intent to seek work opportunity and encourage others to apply in the industry. Workplace diversity as an internal CSR is found that the initiative in workplace diversity is more practiced in hospitality industry more than other industries, in turn this contributed to better financial performance.

In Asia, China for instance, a study by Nazir, Shafi, Qun, Nazir, & Tran (2016) in China to assess the effect of rewarding system on organizational Commitment from 202 workers in public and private sectors using Questionnaire to collect data and Structural Equation Model (SEM) for analysis. The study found that rewarding systems; Intrinsic and

Extrinsic rewards are positively related with Organizational Commitment mainly the affective and normative types of Commitments.

In Pakistan, Roudaki (2017) conducted study on CSR effect toward employees' commitment in Pakistani service industry. The study used CSR components; Economic, Legal, Ethical and Philanthropic pillars to a total of 220 workers interviewed in a 4-5 star rated hotels. The study revealed that CSR components had positive effect on employee's commitment. However, not all components are significant.

In Africa, Ethiopia for instance, a study done by Hailu & Nigatu (2015) on how CSR is practiced in the hospitality Industry, they found that acceptance of gender equality among workers, their freedom to apply for sick offs and parenting leave, positive and productive cooperation coupled with supportive working-place and more so firms' commitment toward balancing personal and work-life through flexible and realistic working hours. Mensah, Agyapong and Nuertey (2017) in their research study in Ghana on the CSR engagement effect as one aspect of internal CSR toward organizational Commitment in financial institutions. The study used a sample size of 145 workers and found positive impact with worker's demographic features as moderating variable.

In Kenya, studies on the effect of Internal CSR activities on Organizational Commitment include; Mugesani, Gichuhi & Gachunga (2017) on the effect of internal CSR activities on employee's commitment in organizations listed in the Nairobi Stock Exchange (NSE) in Kenya targeting 381 workers. The study concentrated on three variables; Workplace wellness, Balance between work & life and diversity at workplace with organizational Justice as moderating variable. The study found that the Workplace wellness, Balance between work & life and diversity at workplace were positively influencing employee's commitment. The study recommended further research to be conducted with additional variable and in specific industry. Another study conducted by Mukamba, Oloko & Munene (2013) on the internal CSR's influence on organizational commitment in banking sector in Kenya: A case of commercial banks in Kisii town. In this internal CSR study four independent variables were used: workplace diversity, safety, work-life balance and training. The study found that

the variables of internal CSR were positively influencing employee commitment.

The hospitality industry faces intensive local and international competition and for hotels to remain relevant in the market, they heavily rely on fully committed employees to attain organizational performance and obtain competitive edge. However, organizations are concerned with high turnover, absenteeism from work and low esteem among employees toward their work in particular and organizations at large (McGrath & Hammontree, 2016). Faldetta, Fasone, & Provenzano (2013) in their study highlight that high rate of employees' turnover is unfavourable to hospitality industry as many organizations spend a lot of money to get a well-trained employee replaced. The huge expenditure results from developing the new worker through training and a cost to the previous training expenditure.

Corporate Social Responsibility (CSR) is a business operation approach with the aim to meet or exceed legal, ethical, and public expectation to what the society perceives against business organizations (Demirag, 2018). The concept of CSR is built on a timeless and key fundamental background: Business role toward its internal and external environment beyond the legal framework scope. Thus, CSR is a widely used management concept that enables firms to develop strategies that enhance and address social & environmental concerns and uplift sustainable relationship with their primary and secondary stakeholders (Aguinis & Glavas, 2012). The integration of CSR as a major aspect of firm-level strategy and its daily operations has become an essential component that brought business and society together (Kramer & Porter, 2011). Concurrently CSR research has grown exponentially to become a mainstream topic of investigation for management scholars (Aguinis & Glavas, 2012).

Some research works such as Mugesani *et al.*, (2017) and Islam *et al.*, (2018) recommended application of CSR as a bonding factor between employees and their respective organization which yields organizational Commitment. There are two types of CSR approaches and according to Pietersz (2011) CSR has two dimensions; external and internal perspectives - the External CSR (ECSR) focus on issues related to corporate volunteerism, environmental protection and corporate

philanthropy to address concerns related to secondary stakeholders such as suppliers and local communities. The Internal CSR (ICSR) dimension focus on workers and workers' relationship through providing a psychological and physical operating environment, individual development and motivation (Pietersz, 2011).

One of the most cited and applied theory in CSR is a four-dimensional pyramid of CSR model developed by Carrol (1991) and later modified by Carrol's critiques (Lee, Kim, Lee & Li, 2012). The Carroll's pyramid for CSR is anchored on four dimensions; Economic, Legal, Ethical and Philanthropic based on sustained and continuous expectations generating from the community toward organizations (Carroll, 1991). Yang, Colvin and Wong (2013) expounded the work of Galbreath (2006) on CSR strategic model derived from the Carrol's four dimensional CSR pyramid and based on strategic management concepts to determine visibility as to what kind of strategies a firm can pick to look for in respect to CSR application and developed four CSR strategic options namely; Shareholder Strategy, Reciprocal Strategy, Altruistic Strategy and Citizenship Strategy (Yang *et al.*, 2013).

Shareholder Strategy is CSR economic component embedded as an influential view to push managers through involving them as participative and empowerment to realize the best interest of the shareholders which is utilization of the firm's resources for wealth increment. Shareholder Strategy in an internal CSR perspective depicts workers' participation strategy; involvement in scheduling of activities, decision making and a platform for them to provide suggestion for the execution and performance of tasks and solve problems. According to Liu, Li and Opara (2018), despite the fact that shareholders' objective is to maximize profit, CSR is regarded as strategic tool for the firm to attain competitive edge and in return make profit, managers play a critical role in ensuring this through the execution and delegation of powers bestowed upon them by the shareholders.

Organizational Commitment (OC) and Employee Commitment (EC) are terms used interchangeably as both mean that employees get committed towards their organization whenever they feel satisfied and part of their respective organization; hence stay longer, get motivated and perform well and contrary applies (Islam, Ali, Niazi, Ramzan & Yousaf,

2018; Saraih, Aris, Karim, Samah, Sa'aban & Abdul Mutalib, 2017). Studies on Organizational Commitment (OC) consistently applied the variables developed by Allen & Meyer (1990) as independent, moderating or dependent variable on its effect to various themes such as performance and Turnover Intentions (Kaplan & Kaplan, 2018). Most interestingly, Guzeller & Celiker (2019), Abdurrahim, Anisah and Maya (2019), Ooi and Teoh (2021) on studies about the relationship between Commitment and turnover intentions among workers in hospitality industry found and concluded that Commitment has negative and statistically significant effect on turnover intentions, meaning high level of commitment displays low turnover intentions.

It remains underdeveloped the research on CSR Strategies as suggested by Yang *et al.*, (2013) on organizational commitment in hotel industry globally and particularly in Kenya posing a research and knowledge gap. The researcher viewed that one of the cause of the high turnover in five-star hotels in Kenya was due to low or insufficient application of Internal CSR embedded Shareholder Strategy towards hotel workers to stimulate their commitment toward the hotels which motivates and make them decide to stay longer, thus become more productive and part of competitive advantage for the hotels. Based on the above background, this study intended to assess Shareholder Strategy – An Internal CSR perspective on Organizational Commitment in Five-Star hotels in Kenya.

i) Problem statement

The National Tourism Blueprint 2030 in Kenya identifies as a strategy the need to attract, develop and retain competent and motivated staff in the tourism industry (GoK, 2017). Turnover among workers in an organization has healthy and unhealthy effect on performance of an organization depending on the rate of workforce turnover at a given time. According to Islam & Assiri (2019) turnover across all sectors and industries varying between 10 - 15% is considered healthy while less than 10% as healthier. This positive turnover brings onboard new talents, fresh perspectives, provide a room for internal promotions and kills boredom. The Ideal situation for Five Star hotels in Kenya is to maintain a maximum of 15% rate of its workers' turnover by enhancing organizational commitment among workers to tap the benefits

of the healthy turnover, hence sustain competitive advantage within the industry.

Empirical studies indicate that the industry globally records 73.8% of workers' turnover whereas in Kenya is about 60% (Kassim, 2017). More so, the hospitality industry leads in employee turnover as compared to other industries in Kenya with 17.2% followed by retail and professional services at 16.2% and 14.8% respectively (Olwen, 2017). Additionally, the Five-Star hotels are leading in employees' turnover within the hotel industry at 68% as compared to other establishments (Sitati, Were, Waititu & Miringu, 2019). This narrowed down the scope of the study to Five-Star hotels in Kenya due to the intensity of the turnover.

The high turnover trend among the employees in the industry may derail contribution toward the Gross Domestic Product (GDP) and business growth caused by replacement of experienced workers and the additional intangible and direct cost of recruiting, training and launching programs to orient freshly recruited workers (Faldetta *et al.*, 2013; Mensah *et al.*, 2017).

Authors of internal CSR suggested and recommended for in-depth studies to support their findings and determine whether the relationship between internal CSR and Organizational Commitment is sustainable through application of more detailed analytical method which provides a better outcome and developing further the CSR field (Mory, Wirtz & Gottel, 2016). However, the Internal CSR embedded Shareholder Strategy as developed and recommended by Yang *et al.*, (2013) has not received empirical attention. This portrayed a research and knowledge gap to which this study tried to contribute. The aim of the study was to assess the influence of Shareholder Strategy – an Internal CSR perspective on Organizational Commitment in Five-Star-hotels in Kenya.

ii) Research Objective

The study objective was to assess the influence of Shareholder Strategy on Organizational Commitment in Five-Star hotels in Kenya.

iii) Research Hypothesis

H₀ Shareholder Strategy does not significantly influence Organizational Commitment in Five-Star hotels in Kenya.

H₁ Shareholder Strategy significantly influences Organizational Commitment in Five-Star hotels in Kenya.

2 Literature Review

a) Theoretical Framework

The Social Exchange Theory

Homans (1958) developed Social exchange theory (SET) where he explains social behaviour as an outcome of an exchange procedure where people evaluate the possible benefits and threats of social partnerships. The function of this exchange is to maximize advantages and also lessen costs. The Social Exchange Theory (SET) is an extensively used theory by many researchers in the CSR theoretical framework which underpin the relation between internal CSR and Organizational Commitment (Mugesani *et al.*, 2017). Social exchange theory provides an ideal method for conceptualizing staff members' individual assumption of CSR, since it is the predominant theory in studying the link between organizations as well as their employees (Mory *et al.*, 2016). One of the original reflections regarding general social exchange concept in between people furthermore effectively coordinates the link among relationships and their effect on the test of this phenomena: Persons that provide a great deal to others attempt to obtain a lot from them, and people that obtain a lot from others are experiencing tension to use a great deal to pay back in return of the awarded "favours" (Homans, 1958).

This theory was considered suitable for this study because organizations should provide their agents with a chance to proactively influence their functioning and developments. Employees ought to be permitted to partake in fundamental leadership in the organization. This certainly prompts employees to really feel a sensation of belonging. Furthermore, the organization should put sources into the improvement of agents by providing them with brand-new information and also abilities which assists representatives with managing future problems at work which fits the mutual technique and its relation with staff member commitment which anticipates a return by offering commitment to the organization. This theory is suitable to the study as it highlights the exchange model that explains the relation between Internal CSR embedded Shareholder Strategy and Organizational Commitment.

b) Empirical Literature

i) CSR Concept and Strategic Model

One of the most cited and applied theory in CSR is a four-dimensional pyramid of CSR

model developed by Carrol (1991) and later modified by Carrol's critiques (Lee, Kim, Lee & Li, 2012). The Carroll's pyramid for CSR is anchored on four dimensions; Economic, Legal, Ethical and Philanthropic based on sustained and continuous expectations generating from the community toward organizations (Carroll, 1991). Carroll's CSR pyramid has in fact got some criticism. As Lee et al., (2012) highlight the major drawback to the Carroll's CSR pyramid; lack of practical application of the hierarchical order for the managers during its application as well as additionally problems in determining its influences and empirically analysing the variation. There were a variety of stopped working efforts to operationalize the design in order to have it more applicable by including more plans or concern managerial implication (Baden, 2016).

Yang, Colvin and Wong (2013) expounded the work of Galbreath (2006) on CSR strategic model derived from the Carrol's four dimensional CSR pyramid and based on strategic management concepts to determine visibility as to what kind of strategies a firm can pick to look for in respect to CSR application and developed four CSR strategic options namely; Shareholder Strategy, Reciprocal Strategy, Altruistic Strategy and Citizenship Strategy.

Studies on ICSR have used different variables to measure the impact of ICSR as independent or moderating variables on various thematic areas including commitment, performance, and work-engagement; ICSR activities and practices (Worksite-Wellness, Workplace-Diversity, Work-Life-Balance, Health & Safety, Training & Education, Human Rights, Social-Dialogue, Labour relations and reward systems, Career-Opportunities, Employees' Well-being, Worker's Voluntary Activities and Family-friendly Policies) in studies conducted by Mensah, Agyapong and Nuerter (2017), Thang & Fassin (2017) and others. However, the ICSR strategies as recommended by Yang, Colvin and Wong (2013) have not received adequate research attention. The CSR Strategic Model formed the independent variable (Shareholder Strategy) for the study in five star hotels in Kenya.

ii) Three Component Model of Organizational Commitment

Allen & Meyer (1990) considered as father of organizational Commitment (Amin, Akram, Shahzad & Amir, 2018) in their study

developed organizational commitment model made up of Three Component Model (TCM): Affective Organizational Commitment (AOC), which is an employee self-developed emotional attachment to an organisation which makes the employee identify with organisational objectives and develops strong desires to remain a member due to the provided reward; Continuance Organizational Commitment (COC) as the employee feeling obliged to stay working at their respective organization because of the obtained benefits. For the employees who are in continuance commitment status, their main reason for the commitment is based on their personal decision and need to continue stay working with the organization; and Normative Organizational Commitment (NOC), which is the sense of obligation experienced by an employee to maintain and continue with membership of that organisation because of investment done to them. Allen & Meyer (1990) developed set of measures (24 questions: 8 for each construct) to measure each of the commitment variables (Affective, Continuance and Normative) as applied and proved by many studies (Khan, Awang & Ghouri, 2014, Amin et al., 2018).

Studies on Organizational Commitment (OC) consistently applied the variables developed by Allen & Meyer (1990) as independent, moderating or dependent variable on its effect to various themes such as performance and Turnover Intentions. For instance, Kaplan & Kaplan (2018) study on the relation between OC and performance among Industrial firms in Turkey and found Affective Commitment to have positive and statistical significant relation with performance.

iii) Shareholder Strategy and Organizational Commitment

Lassoued, Awad & Guirat (2020) conducted a study in United Arab Emirates on the effect of managerial empowerment on decision making and problem solving abilities among employees in a university setting. The study interviewed 82 workers working in administrative position at Abu Dhabi University and the results showed that empowerment had a moderate impact on problem solving and decision making abilities among the workers. The identified gaps from the study include: the study was conducted using case study of Abu Dhabi university whose findings cannot be generalise and outside Kenya which portrays methodology

and geographic gaps where this study tended to fill by studying at hospitality industry which is wider and in Kenyan context; the study aimed at determining the effect of empowerment on decision making and problem solving abilities which did not check on organizational commitment which portrays an object gap where this study sought to fill by determining the relationship between Shareholder Strategy as an Internal CSR and organizational Commitment (OC) in five star hotels in Kenya.

Mensah, Agyapong and Nuerter (2017) performed a research study in Ghana on the effect of CSR on Organizational commitment of personnel in up country along with banks in Ghana. The research aimed at assessing the outcome of service social commitment participation on worker commitment to their firms. The research used a comprehensive research design in which a self-reported collection of data was made use of 145 employees to gather the details for the study. The research study advised that there existed a solid favourable collaboration in between engagement in firm social duty as well as staff member commitment. Involvement in firm social commitment was contributing factor to the total variant on worker's commitment. Nonetheless, this outcome is irrelevant when moderated with educational level as well as likewise years of working with the banks. The research study concluded that individuals, teams, areas, firms, organizations, societies and furthermore the natural surroundings may commonly accredit as genuine influence for stakeholders given that they can all be

influenced or can influence the operations of the company.

Irawanto (2015) examined the impact of worker involvement in decision-making on organizational commitment in state-owned business in Indonesia. The research study aimed at establishing the connection between workers' outcome in decision making participation on employee's organizational commitment. The study adopted survey research layout utilizing a target population of 50 mid-level managers from two Indonesian State Owned Entities (SOEs). The collected data was done through use of mail surveys. The findings from the research showed that there is a considerable correlation between worker's involvements in decision-making with their commitment toward the organization.

Butali and Njoroge (2018) conducted a study research in Kenya to analyse the employees' participation on performance of firm with Organizational Commitment as moderating variable. The study aimed at uncovering the employee's engagement influence toward their organisation effectiveness as well as to recognize the regulating outcome of company commitment correlated between employee participation and solution efficiency. The finding of the research study was that staff member engagement had a considerable positive result on service performance. Further, the research study better revealed that affective, continuance and as well as normative commitment controlled the relation between staff member participation and organisation performance.

c) Conceptual Framework

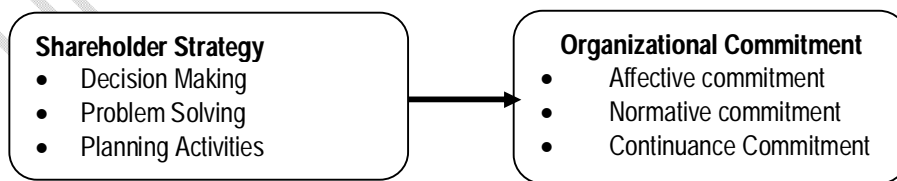


Figure 1: Conceptual Framework (Source: Researcher (2021))

3 Research Methodology

a) Research Philosophy, Design and Approach

The research embraced the philosophy of positivism research paradigm appropriate for

quantitative research and this brings a stable reality informed by the collected facts and figures in a study for a possible generalization of the findings. The study employed a descriptive research design and cross-sectional survey method to effectively tackle objectives under the study and for hypotheses testing. A

descriptive research design was adopted for this study to examine and analyse the study variables and developed hypotheses. Kothari & Gaurav (2014) define research design as a framework that forms a blueprint for research activity ranging from instruments, collection as well as evaluation of the collected data. Descriptive research design attempts to describe causal-effect using statistical data analysis on one or many predicting on predicted variables. The geographical location for this research was six counties in Kenya; Mombasa, Kwale, Nairobi, Nakuru, Narok and Laikipia. Location of a study is described as definite zonal area or geographical place

appropriate for understanding the phenomenon under the study which provides an insight to the study inquiry.

b) Sampling and sample Size

A total of 216 Operations and Line managers in 24 five-star hotels in Kenya according to Tourism Regulatory Authority (2021) was the population target for this research study. A total of 144 managers were selected using Yamane (1967) Formula as sample size for the study, cluster and simple random method applied to select them from 16 five-star hotels in Kenya and shown in the table below:

Table 1: Sample Size

Operations and Line Managers	Clustered Regions				Total
	C&M	Coast	Nairobi	South Rift	
Operations/Hotel	2	4	7	3	16
Human Resource	2	4	7	3	16
Sales & Marketing	2	4	7	3	16
Finance & Procurement	2	4	7	3	16
Information Technology	2	4	7	3	16
Catering Services	2	4	7	3	16
Housekeeping Services	2	4	7	3	16
Transport & Security	2	4	7	3	16
Spa & Recreation	2	4	7	3	16
Total	18	36	63	27	144

Source: Researcher (2021) Adapted & modified from Hassan, Mugambi & Waiganjo (2015), C&C = Central & Mount Kenya

c) Data Collection and Analysis

The study used a semi-structured questionnaire incorporating open-ended and closed-ended set of questions for data collections and was subjected to Reliability and Validity tests prior to actual fieldwork. The study applied both descriptive and inferential statistical methods to analyse the data and present findings in form of tables and narrative. A regression model was developed for the study in form of:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where: Y = Organizational Commitment;

β_0 = intercept (Constant term);

{ β_i for $i = 1, 2, \text{ and } 3$ } = Regression coefficients.

X_i for;

X_1 = Decision Making,

X_2 = Problem-Solving,

X_3 = Planning Activities

ϵ = an error term

4 Key results and findings

a) Response Rate

A total of 144 questionnaires were administered to 144 sampled respondents, out of which 125 of the questionnaires returned as dully filled translating into a response rate of 86.8% which was considered to be appropriate. Getting back all the questionnaires was found as a challenge because some of the hotel managers claimed to be busy due to the nature of their work, especially the Operations/Hotel Managers who had the least number of questionnaires returned (63%). The returned questionnaires were used for data analysis.

b) Pilot Results on reliability validity test

The study prior to actual data collection conducted a pilot test of the questionnaire to 18 top managers in two Five Star hotels in

Nairobi City County representing 13% of the sample size. Shareholder Strategy (SS) with its 9 set of questions yielded a Cronbach Alpha of 0.847. Cronbach Alpha of 0.7 and above in reliability testing can authoritatively be considered as sufficient for predicting assumptions and tests of data collection instrument. Hence conclude that the questionnaire used as reliable. The pilot result was purposely used to test the tool and none used together with the actual data for testing hypothesis. Consequently, the research values of 0.7 as an acceptable criterion. In other words, numbers over 0.7 shows dependability while values below showed that the research tool was not reliable. The reliability was determined using the alpha formula of Cronbach by use of SPSS.

Validity check of the questionnaire was done in two fronts: Content validity was done through presenting the data collection tool to experts to check whether it measures what it was intended for, while Construct validity, the pilot data was checked using Factor Analysis with Factor loading of equal or greater than 0.5, and Kaiser-Meyer-Olkin (KMO) equal or greater than 0.5; significant Bartlett's Test of Sphericity.

c) Descriptive Analysis

Shareholder Strategy and Organizational Commitment

The research objective in this study was to assess the influence of Shareholder Strategy on Organizational Commitment in five-star hotels in Kenya. The respondents were asked to indicate their levels of agreement or disagreements with regards to constructs of Shareholder Strategy in relation to organizational commitment in five-Star hotels in Kenya. The responses were as shown in Table 2

Table 2: Descriptive Summary Statistics on Shareholder Strategy

Statement	Mean	Std. Dev.
SS1	4.096	1.043
SS2	3.848	1.198
SS3	3.720	1.195
SS4	4.120	0.930
SS5	3.992	1.012
SS6	3.840	1.095
SS7	4.192	0.973
SS8	4.000	1.092
SS9	4.072	1.009

Overall **3.987** **1.061**

Source: Field Data (2022)

The results in table 2 indicate that a majority (76.80%) of the managers were in agreement that the hotel involves workers in decision making as was seen by the mean of 4.096 and a standard deviation of 1.043. Additionally, the results reveal that most (71.20%) of the managers were in agreement that Workers' opinions are considered in decision making. The responses had Mean of 3.848 and a Standard Deviation of 1.198. Further, a majority (63.20%) of the managers were in agreement that there are some decisions that are made at department level as was indicated by Mean and Standard Deviation of 3.720 and 1.195 respectively. The results also indicated that most (76.80%) of all respondents agreed with the statement that the hotel involves workers in solving problems. The responses had Mean of 4.120 and a Standard Deviation of 0.930. Most (73.60%) of the hotel managers involved in the study also agreed that workers' suggestions are considered in solving problems. This was affirmed by a mean and Standard Deviation of 3.992 and 1.012 respectively.

The results further showed that a majority (68.00%) of all respondents agreed that there are some problems that are solved at department level (Mean=3.840 and SD=1.095). In addition, a majority (76.80%) of respondents agreed that the hotel encourages workers to come up with new ideas as was indicated by the mean of 4.192 and standard deviation of 0.973. The results also established that a majority (68.80%) of respondents agreed that the hotel involves workers in the planning of activities (Mean=4.000 and SD=1.092). Finally, the results indicated that majority (72.80%) of the hotel managers agreed with the statement that group work is encouraged across the hotel as was indicated by Mean of 4.072 and Standard Deviation of 1.009. The overall mean of 3.987 and Standard Deviation of 1.061 infers that most of the hotel managers in the study agreed with statements of shareholder strategy. The descriptive analysis results agree with the conclusion made by Mishra and Modi (2016) that, Shareholder Strategy is embedded as an influential view to push managers through empowering them to realize the best interest of the shareholders which is utilization of the firm's resources for wealth increment which is a mutual benefit to both shareholders and stakeholders respectively in a direct and indirect way.

Shareholder Strategy was measured as a composition of three measurements; decision making, problem solving and planning activities. The finding agrees with study conducted by AIKahtani, Iqbal, Sohail, Sheraz, Jahan, & Haider (2021) on workers'

empowerment and commitment in four & five star hotels in Pakistani. The study concluded that empowering workers in form of enabling them to make necessary work-related own decisions to plan for their daily activities and functions influences commitment.

d) Correlation Analysis

Table 3: **Pearson Correlation Matrix**

		Shareholder Strategy	Organizational Commitment
Shareholder Strategy	Pearson Correlation	1	.729
	Sig. (2-tailed)	0.000	0.000
Organizational Commitment	Pearson Correlation	.729**	1
	Sig. (2-tailed)	0.000	0.000
N		125	125

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field Data (2021)

The results in Table 3 shows **Pearson Correlation** outcome indicating that there was a strongly positive and significant relationship between Shareholder Strategy and the organizational commitment in five-star hotels in Kenya ($r = 0.729$, P value of $0.000 < 0.05$). This infers that the Shareholder Strategy adopted by the hotels have strongly positive and significant influence on organizational commitment in five star hotels in Kenya. The result is consistent with findings by Nayak, Sahoo & Mohanty (2018) in a study on Workplace Empowerment and Commitment in Indian Health Sector, they found workers' empowerment to have a strongly positive correlation with commitment among workers in Health sector in India ($r = 0.613$, P value of

$0.001 < 0.05$). It also agrees with the assertions by Mishra and Modi (2016) that Shareholder Strategy is embedded as an influential view to push managers through empowering them to realise the best interest of the shareholders' interest, which is utilization of the firm's resources for wealth increment. This is a mutual benefit to both shareholders and stakeholders respectively in a direct and indirect way.

e) Regression Model

A multiple regression analysis of Shareholder Strategy components against Organizational Commitment was regressed. The results of the linear regression analysis are presented in Tables 4, 5 and 6.

Table 4: Model Summary for Shareholder Strategy on Organizational Commitment

Model	R		Adjusted Std. Error of		Change Statistics			
	R	Square	R Square	the Estimate	F Change	df1	df2	Sig. F Change
1	.729	.531	.528	.35860	139.452	1	123	0.001

Predictors: (Constant), Decision-Making, Problem-Solving, Planning Activities

Source: Field Data (2021)

Table 4 shows Model Summary with determination Coefficient (R-Squared) of 0.531 from R 0.729 with significant value of $P=0.000$ less than $P=0.05$. The R-Square of 0.531 explains 53.1% variation of the Organizational Commitment is being contributed by Shareholder Strategy. The adjusted R-Square value of 0.528 indicates the

variation contribution by Shareholder Strategy alone without the constant, to Organizational Commitment while the remaining 46.9% are contributed by other components not part of the study model. The deviation average of the Shareholder Strategy from the best-fit line is shown by Standard Error (0.35860) indicating its vital contribution to Organizational Commitment in five Star hotels in Kenya.

Table 5: ANOVA for Shareholder Strategy on Organizational Commitment

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.933	1	17.933	139.452	0.00 ^p
	Residual	15.817	123	.129		

a. Dependent Variable: Organizational Commitment
 b. Predictors: (Constant), Decision-Making, Problem-Solving, Planning Activities
Source: Field Data (2021)

Table 5 shows ANOVA output to determine the significance of the model explaining the influence of Shareholder Strategy to the Organizational Commitment in five star hotels in Kenya. The results show the model to be statistically significant in the relation between Shareholder Strategy and Organizational Commitment through a P-value = 0.000<0.05 and Calculated F (1, 123) =139.452 > Critical F (1, 123) = 3.918. This displays the model fit for the study: Shareholder Strategy on Organizational Commitment in Five-Star hotels in Kenya.

Table 6: Coefficients for Shareholder Strategy on Organizational Commitment

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.52	.26	0.00	1.97	0.05
X1	0.25	.06	.29	4.01	0.00
X2	0.29	.06	.31	4.66	0.00
X3	0.34	.07	.36	5.02	0.00

Dependent Variable: Organizational Commitment
Source: Field Data (2021)

The final model for Shareholder Strategy and organizational Commitment is presented below:

$$Y = 0.52 + 0.25X_1 + 0.29X_2 + 0.34X_3 + \epsilon$$

Where:

Y = Organizational Commitment (OC)

X₁ = Decision-Making

X₂ = Problem-Solving

X₃ = Planning Activities

ε = an error term

The results in Table 6 shows coefficient values of the measurements of shareholder strategy (decision making, problem solving and planning activities):

The coefficient of decision-making (X1) is positive and significant (β=0.25, P<0.05). The beta coefficient of 0.25 suggests that a unit change in involvement of workers in decision making in the hotels is associated with 0.25 unit change in organizational commitment in five-star hotels. The findings match the research conclusions reached in a study by Wainaina, Iravo & Waititu (2014) who found participation in decision-making to have had a positive effect on organizational Commitment among University staff in Kenya. Similarly, it agrees with the assertions by Mensah, Agyapong and Nuertey (2017) that individuals, teams, areas, firms, organizations, societies and furthermore the natural surroundings may commonly accredit as genuine influence for

stakeholders given that they can all be influenced or can influence the commitment and operations of the company. The study outcomes are also in line with findings by Irawanto (2015) who examined the impact of worker involvement in decision-making on organizational commitment in state-owned business in Indonesia. Indicating a considerable correlation between worker’s involvements in decision-making with their commitment toward the organization. The study is also in line with Mory *et al.*, (2016) who studied on ICSR empowerment strategy, found to positively and significantly influence commitment.

The coefficient of problem solving (X2) is positive and significant against organizational commitment (β=0.29, P<0.05) inferring that a unit improvement in involvement of workers in solving problems in the organization results into 0.290 unit change in organizational commitment in five-star hotels in Kenya. This finding is in line with study conducted by Owoseni (2012) on Problem-Solving (conflict management strategies) and Organizational Commitment in selected Manufacturing firms in Nigeria, which revealed that problem solving on Commitment. Similarly, it agrees with study conducted by Lassoued *et al.*, (2020) in United Arab Emirates on the effect of problem solving abilities among employees in a university setting. The study interviewed 82 workers working in administrative position at Abu Dhabi University and the results showed that empowerment had a moderate impact on problem solving and decision making abilities among the workers.

The results further show that the coefficient of planning activities (X3) is positive and significant against organizational commitment ($\beta=0.34$, $P<0.05$) inferring that a unit change in the involvement of workers in the planning of activities in the organization results into 0.340 unit change in organizational commitment in five-star hotels in Kenya. The finding agrees with study conducted by AlKahtani, Iqbal, Sohail, Sheraz, Jahan, & Haider (2021) on workers' empowerment and commitment in four & five star hotels in Pakistani. The study concluded that empowering workers in form of enabling them to make necessary work-related own decisions to plan for their daily activities and functions influences commitment.

f) Hypothesis testing

The results output from ANOVA table in Table 5 provided a basis to test hypothesis through decision rule to reject hypothesis if P Value is less than 0.05 and Calculated F value is greater than the critical F value. Hence, the results indicated a p-value = $0.000<0.05$ and Calculated F (1, 123) = $139.452 > \text{Critical F (1, 123) = 3.918}$ and this led the study to adapt alternative hypothesis by rejecting the null hypothesis: Shareholder Strategy does not significantly influence Organizational Commitment in five star hotels in Kenya. Proving that Shareholder Strategy significantly influences organizational commitment in five-star hotels in Kenya.

5 Summary, Conclusion and Recommendation

a) Summary

The study found that Shareholder Strategy has a strongly positive and significant correlation with Organizational commitment with $r = 0.729$ and P value of $0.000<0.05$. Similarly, when regressed with its measurement indicators (Decision-Making, Problem-Solving and Planning Activities) against Organizational Commitment, it was found to significantly influence Organizational Commitment with coefficient of determination; R Squared ($R^2=0.531$, $p<0.05$), inferring that 53.1 percent of variation in organizational commitment in five star hotels in Kenya is explained by Shareholder Strategy.

The study tested a null hypothesis that Shareholder Strategy does not significantly influence organizational commitment in five star hotels in Kenya. Based on the results which revealed a p-value = $0.000<0.05$ and Calculated F (1, 123) = $139.452 > \text{Critical F (1,$

$123) = 3.918$, the null hypothesis was rejected and the alternative hypothesis adopted that, Shareholder Strategy significantly influences organizational commitment in five star hotels in Kenya.

b) Conclusion

Based on the findings of this study, involvement of workers in decision-making process positively and significantly influences organizational commitment in five star hotels in Kenya. Additionally, engaging stakeholders in problem solving within the hotel positively and significantly influences organizational commitment in five star hotels in Kenya. Further, it suffices to conclude that involvement of workers and other stakeholders within the hotel business in planning activities have positive and significant influence on organizational commitment in five star hotels in Kenya. This point to the fact that Shareholder Strategy significantly influences organizational commitment in five star hotels in Kenya and concludes that CSR confirms the appropriateness in involving stakeholder in ensuring organizational profit making and social corporate responsible strategies that covers the stakeholders' interests in sorting out social problems within the organization. Among the Shareholder Strategy components, the study found planning activities with high coefficient ($\beta=.34$, $P<0.05$); compared to Decision-making ($\beta=.25$, $P<0.05$) and problem solving ($\beta=.29$, $P<0.05$). Management of CSR system is strengthened by the level of stakeholder participation to realise the balance between the interest of individual and the one for the organization for it to promote organizational commitment. According to findings, the study concludes that Shareholder Strategy positively and significantly influences Organizational Commitment in five-star hotels in Kenya and negatively affects turnover intentions which addresses the research problem against which the five-star hotels in Kenya face a high turnover.

c) Recommendation

i) Policy Makers and hotels top managers

The study recommends to Federation of Kenya Employers (FKE) and Kenya Association of Hotelkeepers & Caterers (KAHC) to embrace and introduce Internal CSR strategies to their member hotels to enable mutual benefit generated in enabling employee commitment towards the organization and in return perform

well and develop policy that provides framework for Internal CSR implementation in the hospitality industry. The study recommends to the hotel managers to embrace the knowledge contribution made by this study through implementation of Internal CSR strategies in addressing the high turnover in the hotel industry and capitalise on Shareholder Strategy with emphasis on planning activities as an important component that enhances Organizational Commitment among the hotel workers.

ii) Contribution to Knowledge

The research work contributes to the Internal CSR literature focusing on Shareholder Strategy and its influence on organizational commitment. The three components of the Shareholder Strategy: Decision Making, Problem Solving and Planning Activities which have all shown positive and statistically significant in influencing organizational commitment.

d) Suggestion for Further Studies

The study successfully analyzed the influence of Shareholder Strategy on Organizational Commitment in five-star hotels in Kenya. This study provides a basis for future studies on level of adoption of internal CSR strategies in the hotel sector in Kenya and how they affect organizational commitment at various levels since there are few studies conducted in this area before. Further studies can also be done in one, two, three- and four-star hotels since the study concentrated on five-star hotels or replicated to solidify the findings. When other scholars conduct further research, they can consider inclusion of a moderating variable such as government policies and firm's age.

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