






**The unpaid hospitality worker in rural Western Kenya: The employer's role in bridging the gap between salary compensation and provision of basic needs**

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Bachelors Thesis   
Degree Program in   
Hospitality, Tourism and   
Experience Management   


2021

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Degree Programme in Hospitality, Tourism and Experience Management	
<b>Thesis title</b>	<b>Number of pages</b>
The unpaid hospitality worker in rural Kenya: The employer's role in bridging the gap between salary compensation and provision of basic needs.	<b>28+5</b>
<p>The outbreak of the covid-19 pandemic affected many sectors of the economy, with the hospitality and tourism industry being one of the most affected. Given that among the measures needed to contain and avoid or limit the spread of the virus results to restricted movement and limited capacities in outlets, there is a direct negative influence in an economic sector that thrives on people's freedom of movement and socializing. Due to this, most establishments started running into losses, and were in turn forced to close their businesses altogether, lay off workers or in some cases keep the workers with salary cuts or no salary. The case study, based on the rural hotels in western Kenya, seeks to propose a harmonious way in which the employers, not being able to even pay its permanent employees, can be able to support them during these trying times so that the employees are able to meet their most basic of needs. The research, based on human survival and employee motivation, will use a constructive research approach, by interviewing two hospitality experts from Kenya with the aim of proposing a barter system of exchange as a measure to bridge the gap between salary compensation and provision of basic needs. Through the responses from the interviewees, the researcher will be able to ascertain if the proposed solution is practical and applicable in the scope of the study. The outcome of the research will help formulate policies that will lead to better contracts for employees and integrate employees' rights education.</p>	
<b>Keywords:</b> Salary compensation, Provision of Basic needs and Barter Trade	

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## Background

The survival ability of human beings is dependent on a vast majority of variables and needs. However, the most basic of survivals is dependent on people's ability to meet their basic needs. This ability is the bare minimum in which people can function, other factors remaining constant. Maslow's law, widely agreed on globally, explains the hierarchy of needs and how they are dependent on each other.

The novel coronavirus outbreak in 2019 has interrupted various economies, activities, and social interactions across the globe. With every business' and government's primary focus globally being to ensure the people's safety, businesses comply with the governments' directives to keep social distancing and improve employees' safety (Amankwah-Amoah, Khan & Wood, 2020). To control the spread of the pandemic, the recommendations by World Health Organization (WHO) on improving safety and safeguarding the health of employees in premises remain universal guiding principles (Cepel, et al., 2020).

The Kenyan hospitality industry, like their counterparts around the globe, has been hit by the pandemic. Majority of the employees have lost their jobs without any form of compensation. Some of these employees have gone months without pay, and others have no clue when or whether they will receive the dues that employers owe them (The Star newspaper, 2021).

Reflecting on the article by the Government of Kenya Ministry of Tourism and Wildlife (2020), the employees in the large hospitality companies in the country have been affected severely by the pandemic. Through the government documents and sponsored international organizations' research on the impact of COVID-19 on Kenyan economy, reveal that the employees were able to find some support for the first five months of the pandemic (Government of Kenya Ministry of Tourism and Wildlife, 2020). The government interventions have been focused on improving the lives of employees in the major cities. Based on the available research by individuals, organizations, and government, there is need to research on the impact of COVID-19 on the unpaid hospitality worker in Kenya's rural hotel company and how the employer can help bridge the gap between salary compensation and provision of basic needs for such employees.

Most of the employees, with the fear of losing their jobs once things stabilise, continue to work regardless of the several months without pay. The hotels have not paid employees over the last few months. The employees, feeling the excruciating experience of not meeting their basic needs, have resorted to stealing the foodstuffs and other valuables from the

enterprises' stores to meet their basic needs. The research therefore seeks to find a harmonious balance in which the both the hotels' employers and the employees can best support each other while remaining committed to providing the best service to their customers.

The rural Kenyan economy is hugely supported by farming. Crops such as maize, millet, sorghum are grown. Other farming activities include dairy and poultry farming. Over the last year, there has been a growth in agricultural activity as the population tries to meet the increasing food insecurity. Even then, the manufacturing activities have been disrupted. With these farming activities, the population has been able to keep afloat even though the report by the World Bank suggests that one out of two households in rural Kenya are not able to provide food for their families. Over the last year, non-profit organizations have donated food stuff to homes and there has been also financial support to those who have working relatives, either in the cities or internationally. Still, they have not been enough though to shield the rural population from the looming food insecurity which has been heightened by the outbreak of the corona virus pandemic. (World Bank,2021).

The research will use a constructive research approach, specifically by interviewing two hospitality experts in the region to propose these alternatives and get their view on their applicability or non-applicability thereof. Also, to be examined in the applicability of the barter trade system into modern economy as a means of salary compensation.

Since majority of the hotels have not been able to compensate most of their workers through payment of salary, this study focuses on the possibility of other ways in which they could compensate the employees so that they can meet their basic needs. The employees, who over the course of several months have not earned their salaries, have resorted to stealing food items from the hotels' stock. The study therefore hopes to find a balance in which the thefts could be eliminated, and the employees can be compensated at the same time. The inability to meet their basic needs has also demoralised the employees and in effect affected their work performance leading to poor guest satisfaction and negative reviews.

This study does not cover the employment situation in the rural hospitality industry in Kenya before or after the coronavirus outbreak and therefore might not be able to truly justify if the workers' employment conditions were any better before then. The research does not cover the overall impact of the pandemic on the rural hospitality workers in Western Kenya. This therefore means that we are not able to study other factors that have led to low worker morale/ decreased motivation like loss of loved ones through the high death

rates that have had a direct impact on most people all over the world. Also excluded from the research is the entire hospitality industry in Kenya as well as the provision of all the basic needs.

Also, the use of expert interviews means that the real voice of the line workers in the hospitality sector, who is the most affected will not be examined. As a result, even if it emerges that these proposals are applicable, their implementation remains solely in the hands and discretion of the employers.

## **2. Definition of key terms**

This chapter seeks to explain the basic concepts of two main key words, namely, salary compensation and provision of basic needs. Barter trade has been well discussed in a subsequent chapter as a previous experiment.

### **2.1 Salary Compensation**

According to Indeed (2021a), salary is a consistent payment given to a worker because of having a full-time working position. The frequency of salary compensation depends on the employment contract and can be bi-monthly, monthly or annual. Salary compensation involves the issuing of regular income. The use of salary compensation in organizations helps to provide employees with financial security, more opportunities for career growth due to working full-time, and prospects for additional benefits such as insurance cover and retirement contributions. However, salary compensation also includes potential disadvantages such as lack of remuneration for overtime work as well as stagnant wages over long periods.

Salary compensation forms part of the total employee compensation. According to DSPM University (n.d), compensation refers to the employee remuneration based on their contribution to a company or organization. Compensation helps in recruitment, promoting job satisfaction, and evaluating job performance. Employee compensation may include monetary payments and non-monetary bonuses. Salary compensation consists of various monetary payments like basic salary pay, sales commissions, overtime pay, bonuses, profit sharing, and rewards (DSPM, n.d). Non-monetary aspects of employee compensation include stock options, housing, childcare benefits, and company transportation.

Fogleman and McCorkle (2013) classify compensation as direct, indirect, and non-monetary benefits. The different forms of compensation can be classified as part of salary compensation in various organizations because of varying human resource policies. Direct compensation consists of the base wages and performance incentives. Indirect compensation includes social security benefits such as paid leave, retirement contributions, insurance, and childcare expenses. Irrespective of whether employees receive direct or indirect salary compensations, the process should follow seven key principles. The principles include a clear plan for differential pay levels based on skill, job requirements, and working conditions (DSPM, n.d). Also, aligning of base wages with the levels in the labour market, equal pay for equal work, distinguishing of people from their jobs by recognizing individual abilities

and contributions, wage grievance mechanisms, identification of personal differences in capacity and overall contribution with the use of commensurate rewards through wage incentive schemes and promotions, and transparency in determining wage rates (DSPM, n.d).

## **2.2 Provision of Basic Needs**

Basic needs refer to the minimum elements that humans need to fulfil basic requirements and get decent life, including food, clothing, shelter, water, sanitation, education, healthcare, and public transportation. Employers have a legal and moral requirement to provide compensation that enables workers to meet their basic needs. (Chiappero-Martinetti, 2014).

Consequently, employers are a key part of the provision of basic needs to people. Although many nations have legislated the concept of minimum wages, it has had minimal impact on the ability of people to achieve basic needs. According to Ethical Trading Initiative (2020), a living wage refers to having enough financial resources to meet basic needs and provide discretionary income. Discretionary needs include savings and investments. Higher levels of productivity and employee engagement is experienced by those employers who contribute to the meeting of employees' basic needs. In the context of an organization, basic needs can best be described as including fair remuneration, health, and wellbeing, career growth, job security, work-life balance, communication, sense of belonging, recognition, and respect, leadership support, purpose, responsibility, and work goals (Indeed, 2021b).

### 3 Hotel Industry in Kenya

Krishnan et al. (2020) explains that it may take up to 2023 for the hotel industry to experience a full recovery. According to Revfine (2020), the hotel industry primarily consists of accommodation and related services, forming a significant portion of the general hospitality industry. Accommodation facilities in the hotel industry include bed and breakfast, hotels, motels, inns, botels, resorts, serviced apartments, hostels, apartment hotels, eco-hotels, condo-hotels, and boutique hotels (Revfine, 2020). Also, guest houses, pensions, holiday cottages, roadhouses, and pop-hotels. Botels are custom-made boats that offer hotel-style accommodation. Apartment hotels are apartment buildings that provide hotel-based services to guests. Boutique hotels focus on luxury service provision (Revfine, 2020). The pensions have a similar offering to bed & breakfast facilities but with more range of daily meals. Motels are accommodation facilities that target motorists and are located along main highways and provide parking. Hostels are budget facilities found in Spanish-speaking countries (Revfine, 2020).

The most common hotel categories in Kenya include bed & breakfasts, hotels, motels, resorts, serviced apartments, apartment hotels, boutique hotels, guest houses, and holiday cottages. Kenya has an expansive hotel industry that contributes a significant portion of the national GDP (Siboe, 2019). According to Faria (2021), the number of hotel rooms in Kenya in 2021 was 22,500, and it is expected to reach 23,800 by 2023. According to KIPPRA (2021), the hotel industry is a sub-sector of the Kenya tourism sector that employed over 82,000 people in 2019, indirectly engaging over 9 million people. The sector contributed \$718 million to the economy in 2019 (Ministry of Tourism & Wildlife, 2020).

Government-led interventions during the Covid pandemic forced many hotels to temporarily close business. Workers were furloughed and a significant number continued to work with little or no pay. Lockdowns effectively reduced nationwide transport, which reduced guest numbers in hotels. In 2019, the hotel industry recorded an average growth of 10%. However, there was a 9.3% contraction in the first quarter of 2020 and a further 83% decline in quarter two of 2020 due to restrictive government interventions. After the lifting of government measures, the industry began to show signs of recovery ( Ministry of Tourism & Wildlife, 2020).

The figure below shows the employment levels in the hotel industry in 2020-2021.

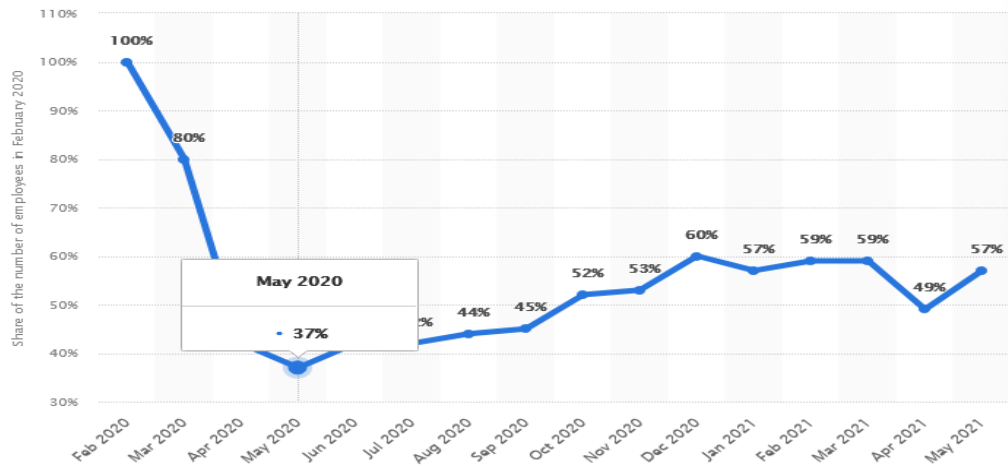


Chart 1: Employment in the Kenya hotel industry 2020-2021 (Source: Faria, 2021)

As shown in chart 1, the hotel industry recorded a slow recovery in 2020. Consequently, the impacts of the pandemic continued to be felt in the industry for a long time. The chart below shows the bed occupancy rate in Kenya hotels in 2020.

Figure 2: Bed occupancy rate (percent of total bed capacity)

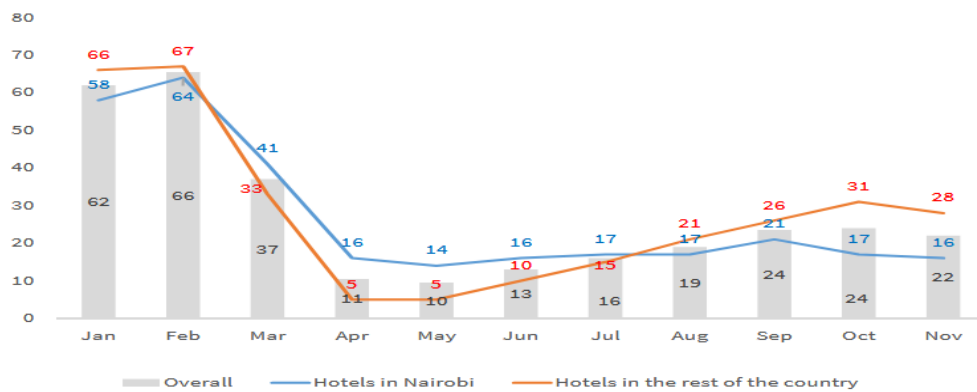


Chart 2: bed occupancy rates 2020-2021 (Source: CBK, 2020)

Chart 2 above shows the rapid decline in hotel occupancy in 2020. The low occupancy between April and May 2020 highlights the peak of pandemic impacts on the industry. According to KIPPRA (2021), the number of operational hotels declined to 35% in May 2020.

By 2021, the percentage of operational hotels rose to 97%, indicating a significant recovery. After the onset of the Covid pandemic, the hotel industry contributed a higher percentage of the 1.72 million people who lost their jobs in Kenya. Over 67% of hotel employees had lost their jobs by May 2020 (KIPPRA, 2021). However, the industry rate of employment rose to 60% by December 2020 again illustrating the pace of the recovery. Covid-19 led to a drastic decline in the client types as shown in chart 3 below. The number of foreigners

residing in Kenyan hotels declined significantly as the pandemic intensified. The average percentage of foreigners before the pandemic was 46% but it declined to 14% after the onset of the pandemic.

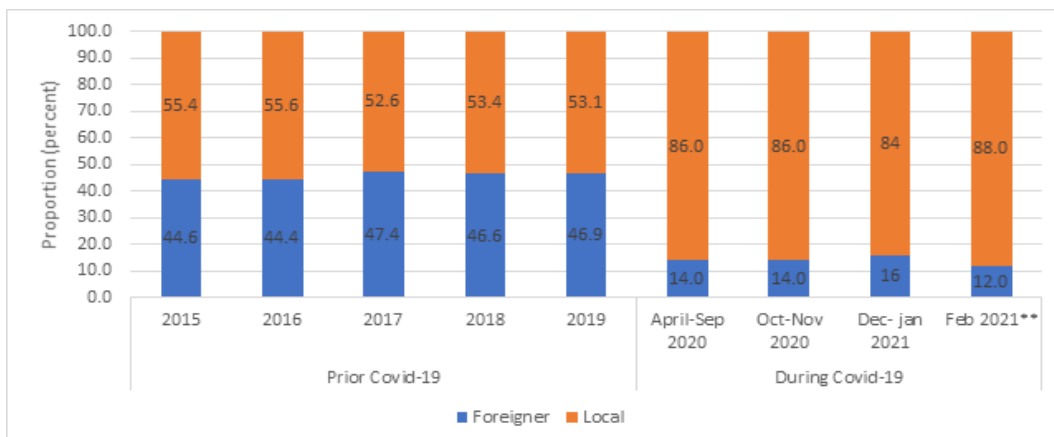


Chart 3: Type of guests in Kenya hotels (Source: KIPPRA, 2021)

### 3.1 Hotel Industry in Rural Western Kenya

The western region of Kenya, formerly the Western province, comprises four counties namely Kakamega, Busia, Bungoma, and Vihiga. The map below shows the western region which is the focus of this study.



Figure 1: Map of Kenya (Source: Nations Online, 2020)

According to the Ministry of Tourism & Wildlife (2020), the hotel industry in Kenya had over 211 classified accommodation establishments in 2020 with over 16,000 rooms.

Below is the distribution figure of the establishments.

S/No.	Area	Number of establishments	Rooms	Beds
1.	Greater Nairobi	59	7051	10155
2.	Coast	47	4389	8502
3.	South Rift	47	1795	3371
4.	Western	15	781	1102
5.	Eastern	6	211	319
6.	Central and Mt. Kenya	26	1269	2360
7.	North Rift	11	568	763
<b>Total</b>		<b>211</b>	<b>16,156</b>	<b>26,786</b>

Figure 2: Classified accommodation establishments in Kenya (Source: Ministry of Tourism & Wildlife, 2020)

As shown in the figure above, western Kenya has fewer establishments compared to Nairobi, South Rift, and the Coastal regions. The implication is that most hotel establishments in the western region are informal and small scale. Further, the hotel industry in western Kenya is underdeveloped because of having fewer tourist attraction sites as well as economic activities. The hotel industry in Kenya is distributed in line with the tourist attraction sites as well as MICE (meetings, incentives, conferences, events) activities. Areas with a lot of tourist attraction sites such as the ocean beaches and wildlife parks attract more hotels due to high visitor numbers. Similarly, higher MICE activities in the capital city of Nairobi and nearby areas attract more hotel investments.

Given that western region hotel industry is still developing, the onset of the pandemic had a great impact on the regions with lower tourist and other activities in Kenya. As a result, employees in western hotels were affected by job losses, layoffs, and reduced or lack of compensation.

According to FAO (2020), the key farming activities in the western region include sugarcane, maize, millet, sorghum, dairy, fish, and poultry farming. Sugarcane farming is concentrated in Bungoma and Kakamega counties while fish farming is prevalent in Busia county. Due to the focus on farming, the hotel industry has remained underdeveloped and susceptible to external factors. There is also a cultural bias towards farming rather than hotel-based food services.

#### 4. Theories and Previous Experiments

Human survival depends on the availability of resources that would help keep us alive and functioning. In essence, keeping alive would lead to us being able to realise other forms of self or carry out any other activity.

The outbreak of coronavirus in the world has significantly affected multiple businesses. The efforts to reduce the spread of the virus demanded reducing social contacts, sanitizing regularly and putting on of protecting guards in the mouth, nose, and face. Consequently, these restrictions crippled the normal business operations across the globe (Jiang & Wen, 2020). To explain the impact of the pandemic on the hospitality industry, economic theory of income elasticity comes into play.

The pandemic has reduced the sources of income in most sectors and the hospitality industry is one of the most affected (Deloitte, 2020). Therefore, with decline in income, the pandemic has impacted the quantity demanded by the customers. With job losses, tourists find it difficult to travel or rather visit hospitality enterprises to demand the services offered. The reduction in the quantity demanded have caused rapid economic decline in the hospitality industry. The restriction on travel and keeping social distancing reduced the carrying capacity of hospitality facilities. As a result, few customers visited the enterprises, and thus reduced sales. Consequently, the sector became economically unsustainable, thus the loss of income, salaries and allowances for the employees in the hospitality sector (Deloitte,2020).

Even with renewed hopes across the globe as economies are easing their restrictions and trying to recover from the pandemic, sectors like the Kenyan hospitality industry have a long way to go. As recent as April 2021, hopes of recovery were shattered when a third wave of infection was witnessed thus triggering new measures such as lockdowns of five counties, extended curfew hours, closure of bars and hotels allowed to offer take away only (WHO,2021).

The study herein, will be based on just the provision of food and other household commodities as they are the ones the study identifies as commonly missing from the study scope.

## 4.1 Human Motivation

In, 1943 psychologist and philosopher Abraham Maslow published an article ``A Theory on Human Motivation.'' It later became popular in his 1954 book ``Motivation and Personality.'' This theory, originally categorized into a pyramid of five motivating factors (Maslow did not form the pyramid himself), suggests that human motivation can be divided into stages and that for the next higher stage to be achieved or become a motivating factor, the lower needs in the pyramid have to be met first to some degree.

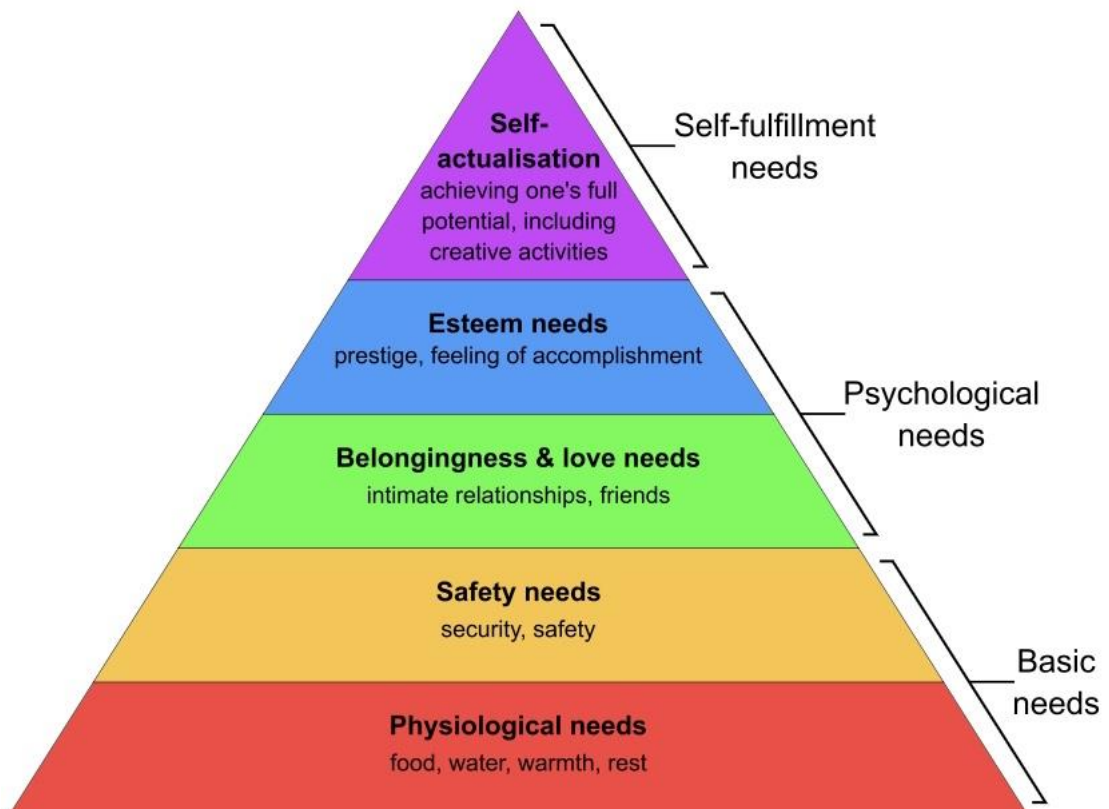


Figure 3: Maslow's Hierarchy of Needs (Source: Wikimedia.org,2021)

The hierarchy in brief starting from the most basic is as below:

*Physiological/Body* needs such as food, shelter, oxygen, clothing and sleep. These form the basis of the pyramid and our survival and being alive depends on their availability.

*Safety and Security* needs from factors such as diseases, violence. In the current context we could include covid-19 in this category as it directly affects human safety.

*Love and belonging* which is best summarised by nurtured relationships be it at work, home or in the community.

*Self-Esteem* to include respect, recognition and a feeling of self-worth.

*Self-Actualization* which insinuates a feeling of being who you were meant to be and doing what you were meant to do.

Still very largely applicable to today's world, Maslow's hierarchy of needs can be used by employers in supporting their employees at the current workplace. This implies that basic needs, the lowest in the hierarchy, must be met if people are to remain motivated and productive. People feel motivated to give their best when they know that you care about their needs and are willing to help them achieve these needs where possible with the organization's given resources. Organizations need to ask themselves, "what are my team members needs and what can we do to meet them?"

Although the focus of this study is basic needs, it is important to mention that employers in all industries have the responsibility of helping their employees meet other types of needs described by Maslow. To start with, hotels and other businesses can help employees meet their security needs through various strategies, such as adhering to safety regulations and rules. Employees can have a sense of job security if employers make effort to reduce layoffs and downsizing. In addition to providing clear job descriptions, it is necessary to reduce threatening behaviour. Sadri and Bowen (2011) believe that provision of information about a business's financial status as well as growth projections can be effective in helping employees meet their security needs. These needs can also be achieved through provision of supportive fringe benefits and "just" compensation. (Sadri and Bowen,2011).

To help employees meet their social needs, business organizations may opt to sponsor social and business meetings while providing close personal leadership. Other employers may prefer encouraging employee participation in community and professional groups. As argued by Stewart et al. (2018), employees can satisfy their social needs if their employers compensate them based on total team performance. Employers in the tourism industry and beyond can play a role in helping the employees meet the self-esteem needs described by Maslow. One approach is inclusion of employees in the decision-making processes and/or goal setting processes. Again, it is paramount to give employees opportunities to display their talents and skills. Lastly, self-actualization needs can be met by the employees in a better way if employers support them in their career-development plans. Other businesses have opted for the idea of providing job rotation opportunities to broaden employees' exposure and experience. (Stewart et al.,2018).

Employee satisfaction involves supporting workers to meet their needs, merit-based remunerations, bonuses where due, ensuring a friendly working environment, autonomy to make decisions, and creating a sense of belonging to the organization (Shaheen, & Farooqi, 2014).

Employee motivation is essential in ensuring that businesses realize their goals as scheduled. Employees are the primary actors and determiners of how perfect employers meet their goals. Employee motivation come through salaries and compensations, engagement, skill development and training, development of sense of belonging, and generally improved satisfaction levels (Dartey-Baah & Harlley, 2010). Employee motivation is the level of commitment, energy, and creativity of the employees in the workplace to impact the organization with success and improved organizational efficiency. Employees need to bring positive energy to their job to ensure that they positively impact the organization (Shaheen, & Farooqi, 2014). Workforces are more motivated to work for the employer when they feel they are rightly remunerated and can sustain themselves with the work. The ability to meet their basic needs either through salary or material support precisely influence the level of employees' commitment to the organization. (Shaheen, & Farooqi, 2014).

Failure by organizations to motivate their employees and improve their satisfaction levels, leads to poor organizational performance in the diverse spheres of its operations (Hidayah & Tobing, 2018). During the Covid-19 pandemic, majority of employers strive to support their employees to meet their needs albeit not working as productive as they were before the outbreak. Employers work on how the workers can sustain themselves until normalcy resumes. Organizations that are still under operations, though with reduced productivity, should pay their employees and motivate them through incentives and compensation to deliver the best quality of products and services to the employer. The consistency of quality service should be one of the guiding principles in the organization. The consistency and reliability of products' quality can only be achieved when the workers are motivated and commit towards delivering the best service quality to the clients. (Hidayah & Tobing, 2018).

Based on the findings of Deloitte. (2020), the severity of the pandemic differs from one region to the other. The pandemic has affected lives, downtrodden economies, and derailed the social life of the world's societies. The governments and businesses focus on the safety of the people, and this creates conditions unfavourable for businesses (Jiang & Wen, 2020). The loss of jobs across the industries have reduced the spending capacity in markets and this gravely impacts businesses across the international markets. According to the report by International Labour Organization (2020), the collapse of the major industries has crippled the economies regardless of the governments' interventions to cushion people from the economic effects of coronavirus pandemic. The interventions have only cushioned people against the economic challenges that the pandemic has caused but not

restored the economy to where it was before the pandemic (Şengel et al., 2020). Studies suggest that the impact of the coronavirus could surpass that of the great recession if urgent measures manage to curb it in the next five years (ILO, 2020). With the effects already affecting almost every person in the world, governments and businesses' interventions cannot address the pandemic's effects on the economy generally.

## **4.2 Barter Trade system**

Barter trade is the exchange of goods and services between two or more parties without the use of money. Being the oldest form of commerce, this system was used in the old days before the invention of currency as a form of exchange/payment. An example would be person A having milk and giving some of it to person B in exchange for bread.

Barter trade has been in existence for thousands of years and has thrived throughout all human civilizations. The first recorded use of barter trade was in Mesopotamia, and subsequent civilizations such as, Phoenicia, Babylonia, Rome, the Middle Ages, and colonial America (Uyan, 2017). Barter trade emerged in the modern economy during the 1930 great recession, when nations and individuals were forced to turn to barter trade due to lack of money. During the 1930s, when an individual sold goods, he or she received credit secured by a group (informal bank) and could then use the credit to obtain other goods or services (Uyan, 2017). In Africa, and in Kenya specifically, local communities always utilised barter trade for centuries before the onset of modern currency. Local communities traded in pastoral and agricultural goods as well as clothes, beads, ivory, and salt (Central Bank of Kenya, 2021). Although the advent of modern currencies drastically reduced barter trade in Kenya, the trading system still thrives in select areas such of Nyeri and Pokot in the country (Mwende, 2021).

In the 21st century, barter trade has taken on a more formal and organized style and continues to form a key part of global trade. Modern barter trade is managed and regulated by barter organizations (Uyan, 2017). Based on statistics from the US Department of Commerce, barter trade accounts for 30% of global trade in multiple forms and there were over 900 barter organizations globally in 2017 (Uyan, 2017). The main types of modern barter trade are retail, corporate, and international. Retail barter involves the exchange of goods and services between companies that are registered under one barter organization. Corporate barter involves the exchange of goods between companies that do business together, such as producers and wholesalers (Uyan, 2017). In corporate barter, transactions can be paid partly with cash or 100% barter. International barter trade involves counter

trade agreements between companies or governments of different countries and is variously referred using terms like buy-back, counter-purchase, switch trading, clearing agreements, and offset deals (Uyan, 2017).

In Kenya, the Employment Act of 2007 (CAP 226) requires employers to pay workers the entire wages earned in cash, through an employee's account number (bank or society), or cheque, money order, postal order in favour of the employee (Part IV, Sect. 17, clause 1 (a), (b), (c)). The legal requirements make it hard for employers to use barter trade in employee compensation without attracting potential legal ramifications for failing to adhere to minimum or fair wage guidelines. Turner and Menta (2019) have noted that a barter system of employee compensation can only succeed for short durations where independent contractors are involved. However, a barter system can be used to issue certain types of special allowances and bonuses that do not form part of formal wages. The applicability of barter system in paying allowances can form a key part of employee compensation in the hospitality industry.

A significant number of businesses are showing interest in joining barter exchanges that issue credit for services rendered or goods provided (Jones, 2020). According to Oliver and Mpinganjira (2011), the key necessities for barter trade management are formal written contracts and in-house specialists for negotiating barter deals. Current research shows that barter trade continues to thrive in global trade and is gaining momentum due to the financial challenges brought by the Covid pandemic.

Barter trade has proved to be a viable trading mechanism during the current Covid-19 pandemic as evidenced by successful efforts of organized trading in the UK and Fiji (Jones, 2020). In the wake of the pandemic, barter trade system has been successfully implemented in Fiji through a Facebook page dubbed "Barter for a Better Fiji." The group has garnered a following of more than 190,000 members, which accounts for roughly 20% of the entire population of Fiji. Now that is a successful intervention by many standards. Inspired by the success of the Fiji group, a similar Facebook group was created in the United Kingdom dubbed "Barter United Kingdom," and it has also become very popular. These two groups simply involve community members exchanging the goods they have with the ones they don't. Also exchanged are various services like a graphic designer exchanging his or her services for a piano lesson. The BBC highlighted these examples in an article (August, 2020) dubbed "Could bartering become the new buying in a changed world?"

## **5 Research Methodology**

The research targets the hospitality industry employees in rural Western Kenya who, because of the current covid-19 pandemic have not been able to receive their salaries in months and have resorted to stealing food items and other useful commodities from their employers in order to meet their basic needs, more specifically food.

The objective of the study is to establish interventions through which the rural hospitality employers in western Kenya could help their employees meet their basic needs even in the situation that they cannot pay them in monetary terms.

With no economic recovery programs owing to the pandemic, the hospitality employees in rural western Kenya are forced to work without salary compensation and therefore cannot afford food. This has led to them stealing from their employers. At this point, the research seeks to answer the question; Is there a possible intervention that could be applied by the employers to lessen the ongoing problem?

### **5.1 Constructive research**

Among available research approaches, the constructive approach will be used in this study. Its applicability in a study of such nature was based on the argument that this approach is feasible when the need is to design or propose a solution or a construct for a practical problem (Pasian, 2015). A practically relevant problem has already been identified as the inability of hotels in Western Kenya to compensate their employees through salary payment following the negative effects of Covid-19 pandemic. A solution has also been proposed in the form of compensation of employees using goods and services in place of money, a phenomenon known as barter trade. What remains is demonstration of the feasibility of this solution and linking the study results to theory. The researcher will also demonstrate the practical contribution of the proposed solution.

Primary data will be collected from two industry experts within rural Western Kenya. Primary data will be preferred because it is up to date hence reliable recommendations can be made at the end of the study. These experts will be identified and enrolled into the study through purposive sampling. This is to mean that the researcher will make a personal judgement about who is best suited to act as the source of the data sought in this study. Once enrolled, the experts will be involved in an interview session, with each session lasting for 45-60 minutes. These interviews will be semi-structured in nature, an indication that the researcher will be free to ask follow-up questions in addition to having an interview guide. Collection of data using interviews will benefit the study in several ways.

To begin with, the interviewer will collect rich information by focusing on both verbal and non-verbal cues. Again, interviewees will have a chance to clarify what the researcher means in any of the questions if a need arises

In terms of the research design, this will be a cross-sectional study since data will be collected at one point in time without any form of follow-up. This will be ideal as it will reduce the overall cost of the study. This is expected to be inductive research because not much has been done on the issue of using barter trade in place of salary when compensating employees. As explained by Soiferman (2010), inductive studies aim at collecting data to formulate some theory. Therefore, it becomes most appropriate when little is known about the issue under study. On the other hand, deductive studies start with known theories and collect data to test hypotheses (Soiferman 2010). A qualitative study will be conducted, a decision made based on the nature of the problem at hand. In this regard, the two participants will be allowed to explain their responses, which would not be the case if close-ended questions were used in a quantitative study.

Thematic analysis method will be used to analyse the collected data, a method expected to unfold in several steps. In the first step, the researcher will read and re-read the text from the interviews to familiarize with the data. The text will be read again in the second step, but codes will be recorded this time round. Codes are sections of the text deemed to make sense in the context of the current study. The resulting themes will be refined by discarding some, splitting some, and combining broad ones. Refined themes will then be discussed in relation to available academic literature.

Applicable ethical principles will be adhered to during the study. The industry experts to be interviewed in this study will not be coerced to provide the sought data. Rather, they will do so in their own free will. The collected data will not be shared by third parties to achieve confidentiality.

## **5.2 Validity and Reliability of the study**

The quality of this study can be evaluated using validity and reliability concepts. Reliability is the degree to which a study's results can be reproduced if one had to repeat the research under similar conditions (Mohamad et al., 2015). On the other hand, validity refers to the level to which the data collection tool and the study in general measure what the researcher intended to measure (Noble & Smith, 2015). Consequently, reliability concerns consistency of a measure while validity entails the accuracy of the measure in question. The proposed research will involve collection of data using expert interviews. Reliability of the study will largely depend on or be synonymous to stability of provided responses

Using a list of pre-developed questions, the researcher will be able to remain focused on the issue under study without deviation. Validity of this study will be achieved through several ways. To begin with, research participants will be sourced from the actual industry under study. Convenience sampling will help the researcher ensure that the sampled individuals possess the data sought in this investigation. Again, long engagement between the researcher and participants will give room for collection of rich data. This will be possible through freedom to ask follow-up questions if a need arises. The primary data will be coupled with insights gained in the literature review process to support interpretations made.

## **6 Research Results**

Having discussed how data was to be collected and how to ensure the reliability and validity of the data, this section will now revolve around explaining and transforming the data to give a clearer picture to the readers of the findings.

During the search for the suitable respondents to be the expert interviewees for the study, the researcher contacted a few referrals to gauge their suitability. This was done through phone calls to the candidates that involved a little background on the study and their overall opinion and understanding of the industry and the research at hand.

The final decision on the suitability of the experts was mostly based on how knowledgeable they were on the topic at hand and how open minded they were on the proposed solution to the problem at hand. This was an important consideration as the researcher concentrated on intellectuals who were not blinded by their environment based on culture and power. A huge consideration was also the fact that they work and reside in the area covered by the scope of the study. This was to ensure that they have first-hand information about the operations in the area and are familiar with the employees' plight.

The experts were also selected based on their gender. It was important to the researcher to have both a female and male as this would lessen the ideologies based on roles and gender discriminations at workplaces. Finally, the researcher selected candidates whose work description would involve familiarity with the labour laws and employee compensation for work done.

The research was carried out through direct phone calls to the interviewees. These calls were not recorded because the interviewees were not comfortable with the idea. The researcher respected this and so took time to write down notes and read these responses back to the interviewees just to be sure that what was written is what they meant. The researcher at the end had to group similar responses to summarise themes and filter out material that was not relevant to the study.

### **6.1 Respondent A**

Respondent A is a 45-year-old male with a total of 25 years in the hospitality industry. He attained a Diploma in Hotel and Tourism from Kenya Utalii college, which specialises in the training of hospitality professionals. Over the years, he has attained a bachelor and a master's degree as well as doing a few professional courses mostly on finance and management. He started working as a waiter and slowly made his way through the ranks to a

hotel general manager and is currently owning his own hotel as well as being a board member in an organisation for some of the local hotels. He also co-owns a yoghurt making factory in Kenya.

Respondent A stressed a lot on the impact that culture and previous employment practices play in worker compensation in the area. As stated previously based on background information, the working environment for most of these employees, which is mostly not regulated by strict inclusive labour laws, already meant that the employees' working conditions were not the best in comparing working hours versus salary. There is no overtime compensation and not much in terms of bonuses, say, medical insurance. Even with there being a minimum wage for every profession in the country, he stated that these laws are often overlooked by potential employers.

He stated that the use of barter trade would most certainly lighten the burden on the employees who are struggling to meet their basic need for food, though not erase it completely.

He also noted that personal preferences, of what goods they would want more of, what brands they have normally used and would prefer, would be overlooked. This is to mean that if employee X, who has 4 children is given 2kgs of rice, the exact same amount as employee Y, who has 2, the compensation is not equal. Also, employee X uses a specific brand of rice which differs from employee Y. He however stated that, as a last and desperate measure, this would be highly welcomed by employees and a pandemic such as covid-19 is one such situation.

Quoting respondent A, " It is a frustrating position to be in for both the employers and employees. Our culture is one of togetherness and even some employers are relatives with the employees. This makes it harder to demand salary compensation. Though it is wise to note that because of this, such employers are taking advantage of their employees. "

As an employer himself, respondent A said that the pandemic really hit them hard that they had to close the hotel for a few months and even though they are now open, the recovery is slow. He said that they now owe suppliers a lot, who are always demanding previous payments before supplying raw materials and this means that they have less cash flow as they are barely holding their businesses from another collapse.

In his closing remarks, he said that he was quite surprised that they haven't thought of this before as a way of compensation and motivation but states that he is open to research more on it and after that, he will propose it at a board meeting with other hotel owners in the area.

## **6.2 Respondent B**

Respondent B is a 35-year-old female with a total of 15 years' experience in the hospitality industry. She attained a degree in Hotel Management from a Kenyan university and has worked in three different departments namely, Food and Beverage, Human Resource and Front Office. She explained that she wanted a complete knowledge of the departments before she can settle on which one suits her best. Currently, she heads the Food and Beverage department. To be able to work in these different departments, she did a lot of inhouse trainings across the departments. She has worked in both the city and rural set up in the country.

Respondent B emphasized on the solution to be considered more of a humane act and a motivational factor but not a solution to fully erase salary compensation. She noted that even in the rural set up, where there are available food produce and therefore the need for cash flow would be less, urbanisation is creeping in, and people are now living a more modernized lifestyle than before. She explained this to mean that even though people are not paying rent, they have a need for cash to pay for utilities like electricity and water.

During the extreme pandemic months, she said she was one of those laid off and went months without salary. Even with her management position, they were paid more less when the hotel reopened. Her only advantage was that accommodation is provided and she did not need transportation to work. She also takes meals while on duty and she is single, so she has lesser worries than the people with families.

In her own words, "Now that you have brought this up, I remember there being cases of employees stealing food stuffs like rice, sugar and flour to go feed their families. The management could use this proposal. It would be a win-win situation as motivated employees would be loyal, and management would keep track of expenditure and not run into unexplained losses."

Respondent B also noted that because of the situation, a lot of those who were laid off are being asked to reapply for their previous jobs as business in her workplace is picking up. The new contracts the employees are being offered stipulates way less salary than what

these employees were earning before. She explained that during the interviews, the potential employers are taking advantage of the pandemic to tell employees that they can not pay them as before. Most of the employees are accepting these lower terms because they have no options as they have been out of work for months without pay and are scared that if they let the opportunity go, they won't get another one easily.

She noted that at a previous working place before the pandemic, the line employees had not been paid for roughly five months and they were so frustrated but kept going to work. She wondered how they are providing for their families and later learnt that they had to take loans from small creditors hoping to pay once they were paid their salaries. She however said that this was dangerous as these creditors have higher interest rates and if not paid, they end up taking your household stuff like furniture and electronics, which they resell to get their money back. If that was pre-covid, she wondered what happened during the pandemic.

On whether the employees are approaching the employers to demand for their pay, she stated that they employees are not. She noted that from her own observation, the industry set up is such that majority of line employees are unaware of their rights to begin with. This makes them feel that even to be offered a job is a favour the employer is doing them. This, she thinks, stems from the leadership styles in most African economies and a poverty mindset among many; that people get comfortable with so little or just enough even in situations that they could demand for and do better.

However, Respondent B felt that this overall proposal would have a greater impact in the city set up as compared to the rural set up where the scope of the study is based. This she explained by stating that those in the rural set up have at least their farm produce to rely on. That even if they can't afford more than a meal a day, chances of them going for a whole day without food is less compared to those in the city. The rural economic set up allows for year-round crop growing. Those in the city, on the other hand, must buy all their food produce. Without salary compensation or even a job, they are at a higher risk of starvation.

## **7. Summary and Conclusion**

Having identified the gap between salary compensation by employer and the employee's ability to provide for their family, the study proposed the application of a barter system of exchange. Since there is not enough cash flow to pay workers, could employers adopt the barter trade system and offer employees essential goods from the premises as a form of payment for services offered?

With the results from the expert interviews, this chapter will now evaluate these results against the theoretical framework. Simply put, did the results meet the hypothesis and what is the researcher's reaction to the results?

Also addressed in this chapter is the researcher's own learnings, the implications and any developmental ideas/recommendations.

### **7.1 Summary**

The theoretical framework of this research was based on the use of barter trade by employers in rural western Kenya to compensate their employees in situations where they can not pay them salary. It also solely focused on fulfilment of human basic needs, specifically food. The framework also focused on the motivational aspect of compensation and how it in turn affects employees' output at their workplaces.

In the hospitality industry, barter trade has always been used. Hotels usually invite people like respected food bloggers especially when a new restaurant opens, or a new menu concept is implemented. The blogger would then eat and instead of paying would write a review about the restaurant to market it. Same concept is applicable to hotel rooms. A hotel would invite an advertising executive or travel blogger to stay at the hotel for a night, use the facilities and in exchange write an article about the hotel detailing their experience. Some premises use celebrities to create a buzz about their establishment. In my current workplace during inventory, there are items which are sometimes found to be almost expiring. The management would then decide to offer the employees the goods at a reduced fee or for free instead of throwing them away. Most hotels that offer food services operate with a lot of excess perishable inventory and one way to not waste is to give employees. A general rule in most restaurants that offer buffet meals is that after three hours the food should be replaced or thrown away, which usually is a waste. Most of the time, from experience, you will find the staff eating it in the back rooms.

Hotels in rural western Kenya could modify this system to help support their workers in these trying times. The rural setup in most areas consists of close-knit communities who pride themselves in supporting each other. In the wake of the pandemic, the support is even needed more. Most of them live in homesteads which means they do not need to pay rent. Most of them also walk to work or use bicycles so the issue of transportation is lessened. Most of the people, as stated earlier, own farms and use them to grow staple foods like maize and millet as well as rare cows and poultry.

The idea of implementing this barter system is that the hotels would provide its workers with those items the workers are not able to grow. Food items such as sugar, rice, salt, onions, tomatoes, beans, kales and spinach would go a long way in helping the workers have a complete or balanced meal. Some other items include soap and tissue papers. The hotels are the best bet since when they order these a must have commodities from their suppliers, they get them at wholesale prices which is way cheaper than for the workers who buy them at retail prices. The hotels also have the advantage that they could order on credit and pay the suppliers once stock is finished. Ordering one more bag of rice or sugar would not be a problem to them. In some cases, if well implemented, as part of corporate social responsibility, they could collaborate with the suppliers and get these extra bags at a reduced price or for free. Such a venture would most likely be successful in the long run as brand loyalty can be built.

Due to lack of salary compensation and the employees' inability to meet their basic needs, mostly food, the level of employee motivation is very low. The company cannot rely on employees who are wary of how they will meet their needs after work. The employees report to work and take nothing home at the end of the day and this subjects them to frustrations. The employees are highly demoralized with the employer, but they cannot quit the work as they are desperate to keep their positions just in case the situation normalizes then they can maintain their positions in the organization. As a result, the employees are not satisfied, neither are they motivated to work in the premises. The low satisfaction levels push a bad attitude among the employees. The workers report to work with the hope they could get tips from clients and perhaps sneak out with food stuffs from the kitchen. In essence, the employees "work" to achieve their daily targets of meeting their basic needs.

In this case, the employees' goal in the workplace has changed and the employers stand to gain very dismally. The losses that await the employers whenever they stock take surpass the compensation that could have motivated the employees to maintain their commitment to the organization. The bad attitude that blankets the workplace will harm the

employer. Majority of customers in the hospitality industry prefer the quality service to the quality of product. The warm welcome by employees and etiquette to deliver the best services is all that make the difference between the various competitors.

From the results, it is clear to see some similarities on the proposal and some differences as well. The main results' similarities can be grouped to say that both the experts agreed that the applicability of the barter trade system would be possible and would be a huge motivating factor. That employees would be motivated to perform their tasks better and become more loyal to their employers, leading to low employee turn overs. This would also reduce the problem of theft that is currently happening. They both echoed the fact that putting food on the table for the family was a major concern for most and if this huge burden was to be lessened, people would be happier.

Another huge similarity was on the employers infringing on employees' rights by ignoring the countries' labour laws. In such a corrupt and somehow dysfunctional Kenyan society, with most employees fuelled by poverty mentalities and unawareness about their rights, it would be easy to see why. People are simply grateful to have a "job" and consider the employer a helper because he gave them a job. Also, employees embrace their employers with fear rather than respect; a huge problem brought about by cultural upbringing, whereby, whatever your elders or people in authority say is right and you shouldn't be "disrespectful" by counteracting it.

One major thought that was proposed is that Respondent B felt that this proposal could be better implemented in the city set up than in the rural set up. She explained this to mean that those in the rural set up have the advantage of farming, which means their chances of going without food completely would be less as compared to those in the city who need money to buy every food item.

When measured against the theoretical framework, the results of the study quite meet the expectation, which was to gain insight in its applicability. Although the in theoretical framework there are concrete and successful programmes that were implemented, the results here are simply a proposal, meaning they were not tested to see the applicability.

The decision to not carry out the actual research was based on several factors.

The scope of the study was not physically accessible given that it is in a different country and with the covid 19 travel restrictions it was safer to not travel. Even though it was possible to work with a commissioning party, the researcher needed to be able to see these changes through observation during their implementation and during interview process to

come up with more concrete judgement. Also, given the work environment as can be seen in the study results, the employees would have been driven by fear of losing their jobs and would not be honest in their responses; a huge factor that would affect the results. The employers have also been portrayed as shady in the results and it may not have been clear how they would manipulate the study or results.

## **7.2 Own Learning**

It was interesting to see how the experts were at first not sure of the proposal given that this is the first time they heard it but as they gained more information and insight, they started to see how easily it could be implemented and how much of some help it would be to the struggling employees. With time they even had ideas that the researcher had not thought about.

It was a bit of a surprise to see their hesitation at first since the researcher had assumed that an economy that already had some form of barter trade system albeit to a smaller scale between neighbours, would automatically embrace it in a larger scale. This turned out to be very significant as it gave insight to people's perception of new ideas. That even if an idea is in existence on some level, that making it be acceptable on a large scale will still require convincing the recipients. This was a major learning point.

On a personal level, I learnt that it takes time to carry out research. I had initially thought that I would be done in three months, but it has taken almost a year as life happenings changed my plans. I also became more disciplined and had to wake up earlier most days to find time to do the research as my hands are full during the day (I have 8 months old twins who I take care of full time at home).

## **7.3 Implications and Recommendations**

Paying employees their dues for work done is their right and should always be honoured. It is sad that even in the 21<sup>st</sup> century, basic human rights still get trumped on by those who have higher authority especially in developing economies. Lower-level employees are unaware of their rights that they feel that being offered a job is a huge favour from the employers. Add this to cultural influences and a poverty mindset and you end up with people who can easily be exploited. As was seen through the results, it all comes down to being humane and enabling people to be able to live decent lives especially one that they are working for.

There is a big need to educate the employees on their rights. When employees can understand that they are the most valued in the set up, they can begin to act by demanding better. When employees are taken care of, they become loyal and offer the best to their employers. This will lead to customer satisfaction and blooming business given positive reviews and loyal returning customers.

The employers should change their attitude on how they view their employees. As it is said, leadership is service, and the measure of a true leader is how he treats his subordinates. The employers need to understand and use their position to better their employees, not exploit them.

In the future policy making, the government should revise its policies to protect line workers or low-income earners by imposing stringent measures like minimum wage regardless of type of work, that ensure that people are able to meet their basic needs. This will in turn lead to better employment contracts.

As an aspiring employer in the study scope, I am currently collecting contacts that I hope to work with in the future to help see the implementation of these changes. I plan to visit the area next year (2022) to meet with the other employers and stakeholders and kick start these recommendations.

With the proposal of barter trade to be considered as a form of salary compensation in the hotel industry in dire situations being a quite new phenomenon, more research should be carried out to test its applicability and how it can be implemented.

Finally, it is important to note that sometimes the solution lies in our ability to go back to previous innovations to help solve current problems.

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**Main Research Questions:**

What is the general feel among employees as they work without any salary compensation?

Are employees speaking up? Are they approaching the employers for compensation?

Why do you think the employers are comfortable not paying the employees yet not worried that the employees will quit?

Do you think the employers are taking advantage of the current pandemic situation to influence employees into poor working conditions?

What do you think are the direct effects on employees' work culture?

Your view on the applicability of barter trade as a form of compensation?

Anything else you would like to add as a personal comment or conclusion?