STRATEGIC HUMAN RESOURCES MANAGEMENT PRACTICES AMONG CLASSIFIED HOTELS IN KENYA //

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2008

DECLARATION

I, the undersigned, declare that this project is my original work and that it has not been presented in any other university or institution for academic credit.

Full name: Caroli Mukunga Nguku

Signature..*Caroli mukunga Nguku*........... Date..27th November 2008

This project has been submitted for examination with my approval as university supervisor.

Professor Peter K'obonyo

Signature..*PKobonyo*........... Date....27/11/2008

DEDICATION

To my wonderful daughter. Mbatha Mukunga, you remain a constant source of joy to me. I sincerely trust this dedication will inspire you to read and work hard. May anything you touch be gold I wish you great fortune.

To my beloved parents, Mr. Anthony Nguku and Mrs. Monica Nguku for unwavering commitment and support to the education and learning of their children at all times and the imparted high moral standards.

ACKNOWLEDGMENTS

I acknowledge the truthful help from my supervisor Professor Peter K'obonyo in the development of the topic, research proposal and subsequently project writing.

I would also like to thank all my Lecturers and classmates for their contribution during course work. Thanks to Human Resources Managers of various classified hotels across Kenya for facilitating in data collection.

Finally, many thanks to University of Nairobi, School of Business for introducing Master of Business Administration (MBA) Course. It was a wake up call to me which should have come earlier.

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ABSTRACT

An organization's HRM policies and practices must fit with its strategy in its competitive environment and with the immediate business conditions that it faces (Beer et al., 1984, p. 25). The concept of integration has three aspects: the linking of HR policies and practices with the strategic management process of the organization, the internalization of the importance of HR on the part of line managers, and the integration of the workforce into the organization to foster commitment or an 'identity of interest' with the strategic goals. Strategic HRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organisation in terms of the future direction it wants to take. It is concerned with longer-term people issues and macro concerns about structure, quality, culture, values, commitment and matching resources to future need. It has been defined as: All those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of business; the pattern of planned human resource deployments and activities intended to enable the forms to achieve its goals (Boxall and Purcell, 2003).

The hotel industry has gone through turbulent times in the last two decades (Matanda, 2005). He further asserts that the "close relationship between the hotel sector and the turbulent tourism sector helps explain the turbulent environment that the hotels operate in". Given the increased dynamism in the business environment, a hotel's response to management of these changes will be vital to their success. They have to put in place new practices to be able to maintain their competitive advantage. Aosa (2004) noted that the basics of managerial work are similar all over the world. However, he asserts that management is sensitive to context in which the firm is operating, either environmental or organizational.

A survey research design was used. This design was suitable for the objectives of the study which require data from a cross section of firms in the industry. The population of interest included all classified hotels in Nairobi and Mombasa which were awarded a three star and above because of their strategic position as centres of tourist attraction. The

selection of the three star hotels and above was deemed appropriate because such hotels have developed management capabilities and continue to deploy resources to meet the needs of the changing environment. The choice of the Nairobi and Mombassa hotels was because these two locations are strategically located and represent a complete experience of Kenya's hotel industry namely business and leisure. They are likely to set the pace in virtually all issues that may affect the industry. Data collection was done through self-administered questionnaires with closed and open-ended questions. The closed ended questions enabled the researcher to collect qualitative data while open-ended questions gave the respondent to collect qualitative data. The respondents were the members of staff within the hotels.

The data collected was analyzed using descriptive statistics. This involved the use of frequency tables, percentages, rank ordering, and means scores. Frequency tables were used for arraying data obtained to facilitate working out percentages in order to partly address the first objective of the study. Percentages revealed the proportions of different attributes being studied for relative comparison. Rank ordering helped the researcher to rank different attributes/variables in the order of their representation to partly address both objectives of the study.

A summary of the major findings was then done and the author came up with conclusion as regards the findings. The research questions were answered and appropriate recommendations put forth. The author has also sited recommendations for future research to add onto the existing pool of knowledge.

CHAPTER ONE: INTRODUCTION

1.1 Background

The past decade has seen an increasing interest in the "strategic management" of organizations in businesses around the world. Numerous models of strategic management have been proposed (e.g., Hofer & Schendel, 1978; Miles Snow, 1978; Porter, 1980). This interest in strategic management has resulted in various organizational functions becoming more concerned with their role in the strategic management process. The Human Resource Management (HRM) field has similarly sought to become integrated into the strategic management process through the development of a new discipline referred to as Strategic Human Resource Management (SHRM).

In today's intensely competitive and global marketplace, maintaining a competitive advantage by becoming a low cost leader or a differentiator puts a heavy premium on having a highly committed or competent workforce. Competitive advantage lies not just in differentiating a product or service or in becoming the low cost leader but in also being able to tap the company's special skills or core competencies and rapidly respond to customer's needs and competitor's moves. In other words competitive advantage lies in management's ability to consolidate corporate-wide technologies and production skills into competencies that empower individual businesses to adapt quickly to changing opportunities (Oomens and Bosch, 1999).

In a growing number of organizations human resources are now viewed as a source of competitive advantage. There is greater recognition that distinctive competencies are obtained through highly developed employee skills, distinctive organizational cultures, management processes and systems. This is in contrast to the traditional emphasis on transferable resources such as equipment. Increasingly it is being recognized that competitive advantage can be obtained with a high quality workforce that enables organizations to compete on the basis of market responsiveness, product and service quality, differentiated products and technological innovation (Heath, 2000).

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1.1.1 Strategic Management

Strategic management can be simply defined as the management of the process of strategic decision-making. It requires acquiring a proactive mindset that concentrates on where the firm is now, where the firm wants to go and how to get there. This involves carefully defining what business positions to stake out, and financial and strategic outcomes to achieve. Strategic management is the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce and Robinson, 2003)

An organization's strategy must be appropriate for its resources, circumstances and objectives. The process involves matching the companies' strategic advantages to the business environment the organization faces. One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively and efficiently. A good corporate strategy should integrate an organization's goals, policies, and action sequences (tactics) into a cohesive whole. Organizations employ strategic planning as a way of moving towards their desired future states. It is the process of developing and implementing plans to reach goals and objectives. Strategic planning, more than anything else, is what gives direction to an organization.

1.1.2 Strategic Human Resources Management Practices

'An organization's HRM policies and practices must fit with its strategy in its competitive environment and with the immediate business conditions that it faces' (Beer et al., 1984, p. 25). The concept of integration has three aspects: the linking of HR policies and practices with the strategic management process of the organization, the internalization of the importance of HR on the part of line managers, and the integration of the workforce into the organization to foster commitment or an 'identity of interest' with the strategic goals.

Strategic HRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organisation in terms of the future direction it wants to take. It is concerned with longer-term people issues and macro

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concerns about structure, quality, culture, values, commitment and matching resources to future need. It has been defined as: All those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of business; the pattern of planned human resource deployments and activities intended to enable the forms to achieve its goals (Boxall and Purcell, 2003). Strategic HRM can encompass a number of HR strategies. There may be strategies to deliver fair and equitable reward, to improve performance or to streamline structure. However, in themselves these strategies are not strategic HRM. Strategic HRM is the overall framework which determines the shape and delivery of the individual strategies.

Boxall and Purcell (2003), argue that strategic HRM is concerned with explaining how HRM influences organizational performance. They also point out that strategy is not the same as strategic plans. Strategic planning is the formal process that takes place, usually in larger organizations, defining how things will be done. However strategy exists in all organizations even though it may not be written down and articulated. It defines the organization's behaviour and how it tries to cope with its environment. Strategic HRM is based on HRM principles incorporating the concept of strategy. So if HRM is a coherent approach to the management of people, then strategic HRM implies that this process takes place through a plan that integrates organisational goals with policies and action sequences.

There has been a mounting interest in the academic literature about the notion of how strategic HRM is (Martell and Carroll, 1995). This builds upon the idea that human capital is one of the most critical components of strategic success for many companies; managers are being encouraged to link specific HRM practices to strategic outcomes (Schuler and Jackson, 1987; Miles and Snow, 1984). Researchers (Wright and McMahan, 1992; Ulrich et al., 1995; Schuler and Macmillan, 1984) have pointed out that by matching HRM with strategy, the critical human resource skills, attitudes, behaviours, and performances, that are needed to successfully implement strategies can be acquired, developed, motivated and maintained. Following this logic is the conclusion that, since strategic success is typically measured in financial terms, in order for HRM practices to

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be judged to be truly effective, they must contribute to the firms bottom line (Pfeffer, 1994; Huselid. 1995; Guest, 1997). This approach to HRM, linking it to both strategy and organizational performance, represents what has evolved to be known as strategic human resources management (SHRM).

Devanna, Fombrun and Tichy (1981) have presented the strategic perspective of HRM. They identified SHRM in three levels of management – strategic level, managerial level and operational level, where strategic-level activities look to the long term future, the managerial level speak about the medium term while the operational level is concerned about the short-term day-to-day management of the organization. For example, long-term strategic level activities could ask what kinds of people will be needed in the future, whose implication can be traced back to the current practices of recruitment, selection and training practices. Medium-term operational level activities could ask about five-year plan for marketing department based on development of new markets, compensation and rewards practices, promotion policies and their linkage to performance appraisal systems, professional development and training activities and mid-term career paths. Short-term operational level activities would focus on daily activities of staffing and monitoring, salary and wage, control systems and skills training.

Schuler (1992, p.18) says that:

> There shouldn't be any mystery about the word strategic in the phrase strategic human resource management; Strategic Human Resource Management is largely about integration and adaptation. Its concern is to ensure that: (1) HR management is fully integrated with the strategy and the strategic needs of the firm; (2) HR policies cohere both across policy areas and across hierarchies; and (3) HR practices are adjusted, and used by line managers and employees as part of their everyday work.

Together, these view points suggest that strategic HR management has many different components, including policies, culture, values and practices. Combining the above perspective of SHRM, Martell and Carroll (1995, p. 254) defined SHRM as having a long-term focus, having a linkage between HRM and strategy processes, and the expectation that effective HRM policies should produce organizational performance, benefits. There has been continuing debate on the subject of how SHRM practices

themselves should be measured and related to firm performance. Schuler (1992) encompassed the practices within the 5-P (HR Philosophy, Policies, Programs, Practices and Processes) model of SHRM. More recently, empirical efforts have been based on best practices perspectives that have focussed on identifying bundles or configurations of 'High Performance Work Practices'. However, there is little convergence on the definition of 'High Performance' (Guest, 1997).

Delaney et al. (1989) speak about ten HRM practices in the areas of selection, appraisal, incentive compensation, job design, grievance procedures, information sharing, attitude assessment, and labour management participation as 'sophisticated HRM. On the other hand, Becker et al. (1997) include rigorous recruitment and selection, performance-contingent compensation systems, and management development and training activities linked to the needs of the business. Huselid (1995) extended the list to include intensity of recruiting efforts, average number of hours of training per employee per year, promotion criteria to represent the HPWPs. Delery and Doty (1996) in their review identified seven alternative 'strategic' HR practices of which their research found support on results-oriented appraisals, profit sharing and employment security that were related to overall organizational performance.

Thus, in this research project we follow Martell and Carroll's (1995) definition of SHRM and try to explore those individual SHRM practices defined by role and structure of HR department, recruitment and selection, promotion, performance appraisal, compensation, retraining and redeployment and rightsizing that correlate with overall organizational performance.

1.1.3 Hotel Industry

A hotel is an establishment that provides lodging and usually meals and other services for travellers and other paying guests (Matanda, 2005). This view was also extended by mittra (2001). He defined a hotel as a building where rooms and usually meals are provided for the people in return for payment. The hotel industry has a direct link to the tourism Industry and therefore any changes in the later have a direct impact on the

former. According to the economic survey (2005), the government has put in place several measures to market the country as a tourist destination. The steps have born fruits. In accordance with the Regulations 2 of the hotels and restaurants Act 1988, the hotels and restaurants Authority established classifications of hotels based on the set standards. The regulation classifies vacation hotels, town hotels and lodges into five classes denoted by stars, five being the highest stars, four stars, three stars, two stars and one stars being the lowest. This classification is carried out in the manner prescribed by the hotels and restaurants Authority published in the legal notice no 30 of February 16, 2001 of the Hotels and Restaurant Act.

The hotel industry has gone through turbulent times in the last two decades (Matanda, 2005). He further asserts that the "close relationship between the hotel sector and the turbulent tourism sector helps explain the turbulent environment that the hotels operate in". Given the increased dynamism in the business environment, a hotel's response to management of these changes will be vital to their success. They have to put in place new practices to be able to maintain their competitive advantage. Aosa (2004) noted that the basics of managerial work are similar all over the world. However, he asserts that management is sensitive to context in which the firm is operating, either environmental or organizational.

According to research conducted by Sarova Group of Hotels (2005), most of the guests taking room nights are non-residents with Kenyan market accounting only 12% of the total arrivals. However, the seasonality of bookings changes in the course of the year. Over the past few years, more Kenyans have taken command of the hotels' holiday packages. The scenario has been changing especially during major holidays because of the aggressive marketing by an emerging group of skilled local tour operators (Special report Daily nation, 1 Jan, 2006).

The market has witnessed new entrants and exits. International players such as the Holiday inn Hotels have penetrated the market while the Lonrho Group was taken over by the Kingdom Hotels and resorts in may 2005 (Sunday standard 2005). In the year

2004, the Asian countries had to contend with the tsunami disaster (Daily nation, 2005). The loss from this disaster was enormous. It affected some of the best tourist destinations in this region. However, the effects in the East Africa coastal region were negligible. In Kenya, this was a blessing in disguise. As the numbers of tourists arriving in Kenya continue to grow, the issues of piracy along the costal region continue to dominate the minds of the coastal investors and the tourists alike.

While Kenya is endowed with natural resources, there is lack of inspiration, which can be attributed to leadership (Sunday nation 2006). The year 2005 did not end without a share of political anxiety in our country when the country had to go for a referendum on the proposed constitution. The exercise heightened the political temperatures in the country. In many instances, such scenarios in developing countries are associated with Chaos and war by the developed countries and this made some international bookings suffer in the process.

1.2 Statement of the Problem

The business environment within which the hotel industry operates has been very volatile. The political anxiety, competition from new entrants, unfavourable weather conditions, social reforms, technological advancement, the global changes are some of the challenges that have greatly affected the growth of this industry. Given that tourism is on the upturn and economic fundamentals are getting better, hotels have been compelled to be proactive in their plans by taking full advantage of the recovery. (Financial Standard/June, 28 2005). This is important because the way firms implement strategies and strategic activities has positive influence on its competitiveness as well as its relative standing among its peers (Heugens, 2003).

Studies carried out elsewhere in the world for firms facing similar challenges have started organizing for 'issue management', That is developing a systematic process by which the company can identify, evaluate, and respond to strategic issues affecting the company (Oomens & Bosch, 1999), The uncertainty and surprising environmental turbulence in the global market is demanding investors and management to institutionalise proactive

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and dynamic management approaches to assist the managers in planning and implementing strategies (Nganga, 2001). This is so because companies can no longer continue to rely on historical trends or projected trends without critically observing, analyzing and evaluating 'surpriseful events and issues' which affect the known trend, externally or internally. Studies carried so far indicate that strategic issue management is being practised widely to harness the competitiveness of the firm.

HR management builds upon the idea that human capital is one of the most critical components of strategic success for many companies; managers are being encouraged to link specific HRM practices to strategic outcomes (Schuler and Jackson, 1987; Miles and Snow, 1984). Researchers (Wright and McMahan, 1992; Ulrich et al., 1995; Schuler and Macmillan, 1984) have pointed out that by matching HRM with strategy, the critical human resource skills, attitudes, behaviours, and performances that are needed to successfully implement strategies can be acquired, developed, motivated and maintained. Following this logic is the conclusion that, since strategic success is typically measured in financial terms, in order for HRM practices to be judged to be truly effective, they must contribute to the firms bottom line (Pfeffer, 1994; Huselid, 1995; Guest, 1997). This approach to HRM, linking it to both strategy and organizational performance, represents what has evolved to be known as strategic human resource management (SHRM). Based on this evaluation, there has not been a study carried out on strategic human resource management practices in Kenyan hotels thereby leaving a gap in the literature to warrant a research to be conducted.

1.3 Research Objectives

I. To establish the strategic HR Management practices adopted by classified Hotels in Kenya.

II. To identify the factors influencing strategic HR Management practices in the hotel industry in Kenya.

1.4 Importance of the Study

The study should benefit the following groups.

a. To the Managers and Consultants in the hotel industry who will be enabled not only to understand the current strategic HR management practices but also will enable them identify gaps that may require re-evaluation

b. The Government is a major player in this sector and other stakeholders in that, apart from enhancing revenue collection, other policies may be formulated to enable the industry record further growth and create synergy with the stakeholders.

c. To tour operators as it will create awareness on the importance of strategic issue management as an essential tool in strategic management in the hotel industry.

d. To the scholars and future researchers who will be able to undertake further research in strategic HR management practices.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The past decade has seen an increasing interest in the "strategic management" of organizations in the United States. Numerous models of strategic management have been proposed (e.g., Hofer & Schendel, 1978; Miles Snow, 1978; Porter, 1980). This interest in strategic management has resulted in various organizational functions becoming more concerned with their role in the strategic management process. The Human Resource Management (HRM) field has similarly sought to become integrated into the strategic management process through the development of a new discipline referred to as Strategic Human Resource Management (SHRM).

In today's intensely competitive and global marketplace, maintaining a competitive advantage by becoming a low cost leader or a differentiator puts a heavy premium on having a highly committed or competent workforce. Competitive advantage lies not just in differentiating a product or service or in becoming the low cost leader but in also being able to tap the company's special skills or core competencies and rapidly respond to customer's needs and competitor's moves. In other words competitive advantage lies in management's ability to consolidate corporate-wide technologies and production skills into competencies that empower individual businesses to adapt quickly to changing opportunities.

In a growing number of organizations human resources are now viewed as a source of competitive advantage. There is greater recognition that distinctive competencies are obtained through highly developed employee skills, distinctive organizational cultures, management processes and systems. This is in contrast to the traditional emphasis on transferable resources such as equipment. Increasingly it is being recognized that competitive advantage can be obtained with a high quality workforce that enables organizations to compete on the basis of market responsiveness, product and service quality, differentiated products and technological innovation.

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2.2 Strategic Human Resource Management

Strategic HRM can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organisation on the future direction it wants to take. It is concerned with longer-term people issues and macro concerns about structure, quality, culture, values, commitment and matching resources to future need. It has been defined as:

Definition 1: All those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of business

Definition 2: The pattern of planned human resource deployments and activities intended to enable the forms to achieve its goals.

Strategic HRM can encompass a number of HR strategies. There may be strategies to deliver fair and equitable reward, to improve performance or to streamline structure. However, in themselves these strategies are not strategic HRM. Strategic HRM is the overall framework which determines the shape and delivery of the individual strategies.

Boxall and Purcell argue that strategic HRM is concerned with explaining how HRM influences organizational performance. They also point out that strategy is not the same as strategic plans. Strategic planning is the formal process that takes place, usually in larger organizations, defining how things will be done. However strategy exists in all organizations even though it may not be written down and articulated. It defines the organization's behaviour and how it tries to cope with its environment.

Strategic HRM is based on HRM principles incorporating the concept of strategy. So if HRM is a coherent approach to the management of people, strategic HRM now implies that that is done on a planned way that integrates organisational goals with policies and action sequences.

2.3 Strategic Human Resources Management and Business Strategy

A good business strategy, one which is likely to succeed, is informed by people factors. One of the driving factors behind the evaluation and reporting of human capital data is the need for better information to feed into the business strategy formulation process.

In the majority of organizations people are now the biggest asset. The knowledge, skills and abilities have to be deployed and used to the maximum effect if the organisation is to create value. The intangible value of an organisation which lies in the people it employs is gaining recognition by accountants and investors, and it is generally now accepted that this has implications for long term sustained performance.

It is therefore too simplistic to say that strategic human resource management stems from the business strategy. The two must be mutually informative. The way in which people are managed, motivated and deployed, and the availability of skills and knowledge will all shape the business strategy. It is now more common to find business strategies which are inextricably linked with and incorporated into strategic HRM, defining the management of all resources within the organization.

Individual HR strategies may then be shaped by the business strategy. So if the business strategy is about improving customer service this may be translated into training plans or performance improvement plans.

2.4 Business Strategy Environmental Influences

'An organization's HRM policies and practices must fit with its strategy in its competitive environment and with the immediate business conditions that it faces' (Beer et al., 1984, p. 25). The concept of integration has three aspects: the linking of HR policies and practices with the strategic management process of the organization the internalization of the importance of HR on the part of line managers the integration of the workforce into the organization to foster commitment or an 'identity of interest' with the strategic goals. Not surprisingly, this approach to SHRM has been referred to as the 'matching' model.

Early interest in the 'matching' model was evident in Devanna et al.'s (1984) work: 'HR systems and organizational structure should be managed in a way that is congruent with organizational strategy'. This is close to Chandler's (1962) distinction between strategy

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and structure and his often-quoted maxim that 'structure follows strategy'. In the Devanna et al. model. HRM strategy structure follow and feed upon one another and are influenced by environmental forces. Similarly, the notion of 'fit' between an external competitive strategy and the internal HR strategy is a central tenet of the HRM model advanced by Beer et al. (1984)

2.5 Re-engineering and Strategic Human Resource Management

All normative models of HRM emphasize the importance of organizational design. As previously discussed. the 'soft' HRM model is concerned with job designs that encourage the vertical and horizontal compression of tasks and greater worker autonomy. The redesign of work organizations has been variously labelled 'high performing work systems' (HPWS), 'business process re-engineering' and 'high commitment management'. The literature emphasizes core features of this approach to organizational design and management. including a 'flattened' hierarchy, decentralized decision-making to line managers or work teams. 'enabling' information technology, 'strong' leadership and a set of HR practices that make workers' behaviour more congruent with the organization's culture and goals (Champy. 1996; Hammer. 1997: Hammer & Champy. 1993).

The concept of managerial leadership permeates and structures the theory and practice of work organizations and hence how we understand SHRM. Most definitions of managerial leadership reflect the assumption that it involves a process whereby an individual exerts influence upon others in an organizational context. Within the liter-Strategic Human Resource Management nature. there is a continuing debate over the alleged differences between a manager and a leader: managers develop plans whereas leaders create a vision (Kotter, 1996). Much of the leadership research and literature tends to be and rocentric in nature and rarely acknowledges the limited representation of ethnic groups and women in senior leadership positions (Townley. 1994). The current interest in alternative leadership paradigms variously labelled 'transformational leadership' (Tichy & Devanna, 1986) and 'charismatic leadership' (Conger & Kanungo. 1988) may be explained by understanding the prerequisites of the resource-based SHRM model. Managers are looking for a style of

leadership that will develop the firm's human endowment and, moreover, cultivate commitment, flexibility, innovation and change (Bratton et al., in press; Guest, 1987).

2.6 Workplace learning and strategic Human Resources Management

Within most formulations of SHRM, formal and informal work-related learning has come to represent a key lever that can help managers to achieve the substantive HRM goals of commitment, flexibility and quality (Beer et al., 1984; Keep, 1989). As such, this growing field of research occupies centre stage in the 'soft' resource-based SHRM model. From a managerial perspective, formal and informal learning can, it is argued, strengthen an organization's 'core competencies' and thus act as a lever to sustainable competitive advantage – having the ability to learn faster than one's competitors is of the essence here (Dixon, 1992; Kochan & Dyer, 1995). There is a growing body of work that has taken a more critical look at workplace learning. Some of these writers, for example, emphasize how workplace learning can strengthen 'cultural control' (Legge, 1995), strengthen the power of those at the 'apex of the organization' (Coopey, 1996) and be a source of conflict when linked to productivity or flexibility bargaining and job control (Bratton, 2001).

The notion of worker commitment embedded in the HRM model has led writers from both ends of the political spectrum to argue that there is a contradiction between the normative HRM model and trade unions. In the prescriptive management literature, the argument is that the collectivist culture, with its 'them and us' attitude, sits uncomfortably with the HRM goal of high employee commitment and the individualization of the employment relationship. The critical perspective also presents the HRM model as being inconsistent with traditional industrial relations, albeit for very t different reasons. Critics argue that 'high-commitment' HR strategies are designed to provide workers with a false sense of job security and to obscure underlying sources of conflict inherent in capitalist employment relations (Godard, 1994). Other scholars, taking an 'orthodox pluralist' perspective, have argued that trade unions and the 'high-performance–high-commitment' HRM model cannot only coexist but are indeed necessary if an HPWS is to succeed (see Betcherman et al., 1994; Guest, 1995; Verma,

1995). What is apparent is that this part of the SHRM debate has been strongly influenced by economic, political and legal developments in the USA and UK over the past two decades.

2.7 Organizational Performance Measures

Organizational performance is an intriguing concept, both in terms of definition and measurement (Keats and Hitt, 1988). Earlier literature (Devanna et al., 1984; Tichy et al., 1982) on HRM tended to posit that the notion of introducing effective HRM practices within an organization would lead to improvements in organizational performance, without specifying exactly what these might be, although the implication frequently was that this meant financial performance. For example, Cascio (1991) argues that the financial returns associated with investments in progressive HRM strategies are generally substantial. Terpstra and Rozell (1993) found a significant and positive link between extensiveness of recruiting, selection and the use of formal selection procedures and firm performance. Russel, Terborg and Powers (1985) demonstrated a link between the adoption of employment training programs and financial performance. The use of performance appraisals (Borman, 1991) and linking such appraisals with compensation has also been consistently connected with firm profitability (Gerhart & Milkovich, 1992, Huselid et al., 1997). The range of outcome variables includes, at the individual level, improved employee knowledge, skills and abilities, increased motivation, decreased turnover and improved retention of quality employees.

Truss and Gratton (1994) have established link between long-term outcomes of SHRM on individual well-being, organizational well-being and societal well-being. More recently Guest (1999) has made a strong case for considering the 'workers' views' when evaluating the success of HRM.

Generally speaking, it is recognized that adopting financial measures as the sole criterion of success is too limited, and a broader perspective should be considered that additionally takes account of superior performance. Thus in this study a mix of nine performance parameters such as profitability, productivity, growth rate, financial strength, moral of employees, market share, corporate social responsibility and operating efficiency were

operationalised. These indicators were used to measure perceived performance on the indicator of the best performing organization(s) in the industry. This variation in management and organizational practices thus may be a surer reason for intra-industry and intra-sector variability in performance (Peters and Waterman, 1982). Similar index of performance have provided consistent results (Khandwalla, 1977, 2002; Som, 2002). Thus, in the last decade, there have been sufficient work that has been carried out for Ulrich (1997, p. 306) to conclude:

> 'Evidence now exists to show that investment in HR practices impacts business results, both financial and market value of firms'.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

A survey research design was used. This design was suitable for the objectives of the study which require data from a cross section of firms in the industry.

3.2 Population

The population of interest included all classified hotels in Nairobi and Mombasa which were awarded a three star and above because of their strategic position as centres of tourist attraction. According to the Kenya Gazette notice Number 5693 of 23rd July 2004, there are 110 classified hotels in Kenya. Forty seven (47) of the classified hotels have been awarded three star and above. Nineteen (19) of these are in Nairobi, sixteen (16) are in Mombassa while twelve (12) are lodges. However, the twelve lodges were not be part of the study due to time constraints. The selection of the three star hotels and above was deemed appropriate because such hotels have developed management capabilities and continue to deploy resources to meet the needs of the changing environment. The choice of the Nairobi and Mombassa hotels was because these two locations are strategically located and represent a complete experience of Kenya's hotel industry namely business and leisure. They are likely to set the pace in virtually all issues that may affect the industry.

3.3 Data Collection

Data collection was done through self-administered questionnaires with closed and open-ended questions (see appendix II). As much as possible, a 5-point likert scale was used to determine the extent of strategic practices involved. The closed ended questions enabled the researcher to collect qualitative data while open-ended questions gave the respondent to collect qualitative data. The respondents were the members of staff within the hotels.

The questionnaire was divided into two sections. Section one was concerned with the company data. This included details like hotel name, job title of the participants, hotel star rating, hotel ownership and hotel branches in and out of Kenya. Section two dealt with strategic human resources practises.

3.4 Data Analysis

The data collected was analyzed using descriptive statistics. This involved the use of frequency tables, percentages, rank ordering, and means scores. Frequency tables were used for arraying data obtained to facilitate working out percentages in order to partly address the first objective of the study. Percentages revealed the proportions of different attributes being studied for relative comparison. Rank ordering helped the researcher to rank different attributes/variables in the order of their representation to partly address both objectives of the study. Data collected using rating scales, such as the Likert scale, was analyzed by mean scores to address the second objective of the study.

CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Introduction

This chapter contains the data analysis and findings of the study. The data in this study was summarized and presented in the form of tables, frequencies and percentages. A Total of 47 questionnaires were distributed to 10 hotels in Nairobi and Mombasa. However, only 33 respondents responded by completing and returning the questionnaires, representing 71.74% of the response rate. The data analysed is based on company profile of strategic human resources management, practices, and factors impacting on strategic human resources management practices /techniques, benefits and challenges.

4.2 Company Profile

The purpose of this section was to find out the grade of the hotel, profile of the respondents, ownership and number of branches.

4.2.1 Job Title

There were 29 job titles. These are presented in table 1.

Table 1: Job Titles

		Frequency	Percent
Valid	Accountant	1	3.0
	Chief security officer	1	3.0
	Commis chef	1	3.0
	Demi chef	1	3.0
	Electrical technician	1	3.0
	Engineer	1	3.0
	Executive chef	1	3.0
	Executive Housekeeper	1	3.0
	Food and Beverage Asst manager	1	3.0
	Food and Beverage manager	1	3.0
	Front office Business Center Attendant	1	3.0
	Front Office cashier	1	3.0
	Front Office manager	1	3.0
	Front Office Supervisor	1	3.0

	Front Office Switchboard operator	1	3.0
	Food and Beverage Controller	1	3.0
	Health club masseuse	1	3.0
	Hotel Engineer	1	3.0
	HR assistant	1	3.0
	HR trainee	2	6.1
	HRM	2	6.1
	Plumber	1	3.0
	Purchasing/stores officer	1	3.0
	Receptionist	2	6.1
	Restaurant manager	1	3.0
	Revenue controller	1	3.0
	Steward	1	3.0
	Waiter	2	6.1
	Waitron	1	3.0
	Total	33	100.0

4.2.2 Year of Establishment

The survey captured the year of establishment of the hotels from 1902, 1964 to 2007. Table 2 shows their response

Table 2: Year of Establishment

		Frequency	Percent
	1902	6	18.2
	1964	5	15.2
	2007	22	66.7
	Total	33	100.0

4.2.3 Grade of Hotel

The purpose of the study was to find out the grade of the hotel. It captured the grade of the hotel from three star, four star, to five star. Table 3 and figure 1 present the distribution of the hotels by grade.

Table 3: Distribution of the Hotels by grade

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Three star	4	12.1	12.1	12.1
	Four star	23	69.7	69.7	81.8
	Five star	6	18.2	18.2	100.0
	Total	33	100.0	100.0	

Figure 1: Distribution of Hotel
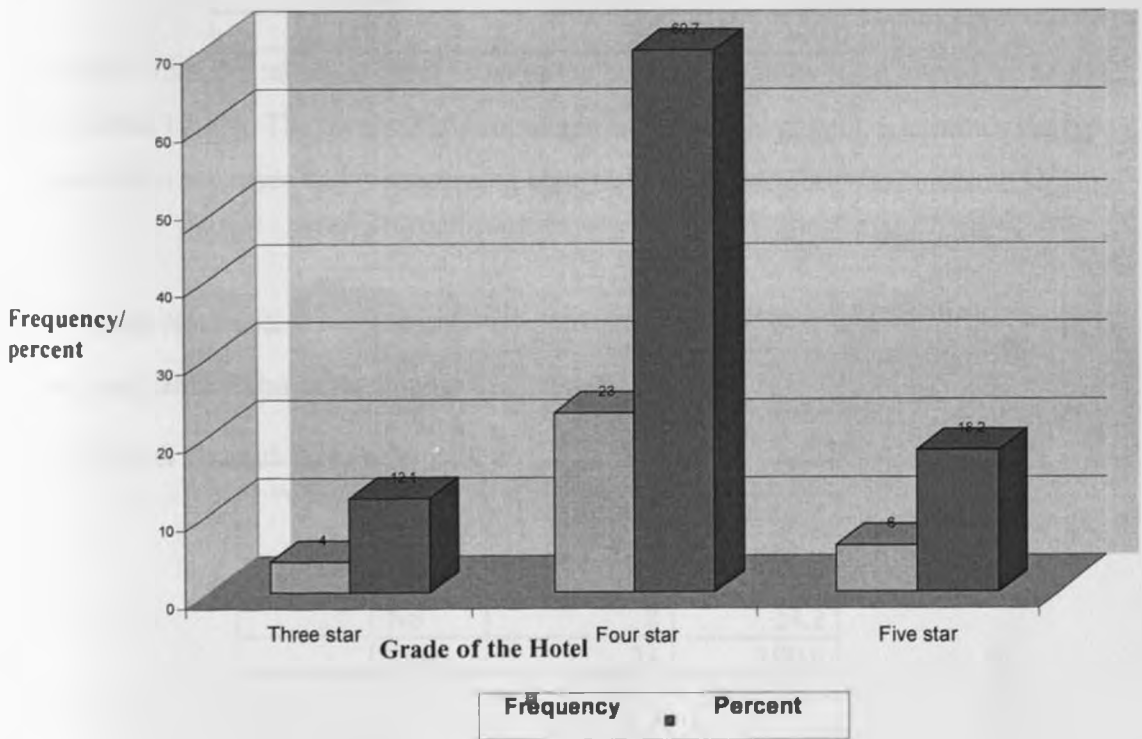
The findings presented in table 3 and figure 1 show that majority of the responds falls under four star at 69.7%, five star at 18.2% and three star at 12.1%. Majority of the responds came from the four star category (69.7%)

4.2.4 Ownership

The data on ownership indicate whole ownership, group ownership, Whole local ownership, individually owned or government owned. Table 4 shows distribution of the hotels based on ownership.

Table 4: Distribution of Hotels by Ownership

		Frequency	Percent
	Wholly local	27	81.8
	Other	6	18.2
	Total	33	100.0

It is evident from the tabulation that most of the hotels are wholly local owned, at 81.8%, with others at 18.2%. The ownership structure in major hotels greatly determines the type of organization structure and management style to be adopted. This was confirmed by my study.

4.2.5 Branch Network

Figure 2 and table 5 shows the hotels' branch network

Table 5: Hotel Branch Networks

		Frequency	Percent
	Yes	25	75.8
	No	8	24.2
	Total	33	100.0

Figure 2: Hotel Branches
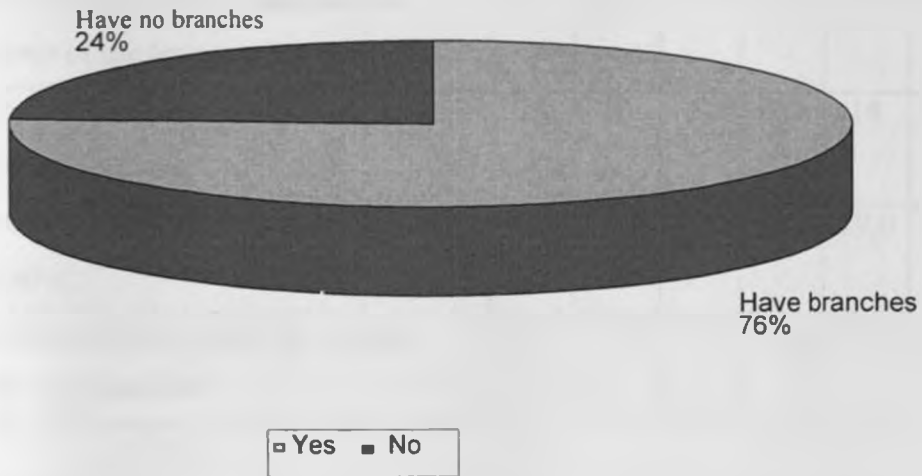
It is evident from table 5 and figure 2 that most of the hotels 75.8% have branches while 24.2% have no branches. The existence of branches greatly determines whether an organisation will decentralise or centralise decision making process.

4.3 Strategic Human Resource Practices adopted in the Hotel Industry in Kenya

The purpose of this part was to find out the extent of adaptation of strategic human resources practices in the hotel industry in Kenya. Respondents were asked to indicate on a scale of 1 (not at all) to 5 (to a very great extent) how the following statements apply to human resource management in their respective hotels. The findings are summarized in table 6.

Table 6: Extent of adaptation of Strategic Human Resources Practices in the hotel industry.

SHRM practices	1 %	2 %	3 %	4 %	5 %	Total %
Human resource practices are linked to corporate strategy	3.0	6.1	18.2	51.5	21.2	100
The Head of Human Resources Department is always consulted on strategic decisions that	30.0	37.0	7.0	14.0	12.0	100

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have Human Resources implications.						
Recruitment of employees is based on the strategic needs of the organisation	35.0	20.0	18.0	18.0	9.0	100
Training and Development is based on strategic needs of the organisation	25	20	17	20	18	100
Compensation is based on strategic needs of the organisation	3.0	18.0	15.0	45.0	19.0	100
Performance appraisal is based on strategic needs of the organisations	11.0	11.0	13.0	35.0	30.0	100

From table 6 above, it is noted that linking human resource practices to corporate strategy was considered the most important factor by 73.6% of the firms. In 12% of the firms Head of Human Resources Department is always consulted on strategic decisions that have Human Resources implications. This is a demonstration that head of Human Resources is not always consulted on strategic decisions that have Human Resources implications. Performance appraisal is based on strategic needs of the organisation in 65% of the firms. Recruitment of employee in 9% of the firms is based on the strategic needs of the organisation, Training and Development is based on strategic needs of the organisation according to 18% of the firms. In 19% of the firms, Compensation is based on strategic needs of the organisation.

4.3.1 Development of a HR Strategic Plan

The researcher sought to find out the extent to which the human resource departments consider the components of strategic human resources practices before developing a HR strategic plan. The respondents were thus asked to rate on a scale ranging from least considered to most considered to Corporate strategic plan, Corporate internal analysis identifying strength and weaknesses, Corporate mission, Corporate vision, Benchmarking with the best in the industry and the Corporate monitoring and evaluation system. The figure below shows the outcome.

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Table 7: Strategic HRM practices considered in the development of a HR Strategic Plan

| SHRM practices | Least considered | | | | Most considered | | | | | |
| | 1 | | 2 | | 3 | | 4 | | 5 | |
	n	%	n	%	n	%	n	%	n	%
Corporate strategic plan	1	3.0	1	3.0	16	48.5	9	27.3	6	18.2
Corporate internal analysis identifying strength & weaknesses	-	-	1	3.0	12	36.4	12	36.4	8	24.2
Corporate mission	1	3.0	3	9.1	15	45.5	4	12.1	10	30.3
Corporate vision	1	3.0	5	15.2	12	36.4	8	24.2	7	21.2
Benchmarking with the best in the industry	3	9.1	5	15.2	10	30.3	10	30.3	5	15.2
Corporate monitoring and evaluation system	4	12.1	5	15.2	10	30.3	11	33.3	3	9.1

The results in table 7 show that 30.3% of the respondents mostly consider the corporate mission, 24.2% the corporate internal analysis identifying strength & weaknesses, 21.2% the corporate vision, 18.2% the corporate strategic plan, 15.2% benchmarking with the best in the industry and 9.1% the corporate monitoring and evaluation system before developing HR strategic plan. Some felt the corporate monitoring and evaluation system was least considered (12.1%.) This alludes to the fact that a proactive approach to the HR strategic plan decisions is required. Revisions are expected in organisations strategic plan so that changes may be accommodated.

4.3.2 Level of the Strategic Human Resource Management on the organization

The respondents were exposed to statements describing strategic HR practices. They were required to rate the statements on a scale of 1 to 5, (1-Not applicable, 2-to a less

extent, 3-to a moderate extent, 4-to a great extent, 5-to a very great extent) according to how they apply to their organisation. The result are presented in table 8 to 18.

4.3.3: Strategic HR Management Position in the Hotel

When the respondents were asked to rate the position which strategic HR management holds in the hotel, 45.5% indicated that it was used to a very great extent 33.3% indicated that it was used to a great extent, 21.2% indicated to a moderate extent and 6.1 indicted to a less extent. The findings are presented in table 8.

Table 8: Strategic HR Management Position in the Hotel

	Frequency	Percent
Low position	2	6.1
Moderate position	5	15.2
High position	11	33.3
Very High position	15	45.5
Total	33	100.0

4.3.4: Strategic HR Management as a tool for Monitoring activities

When the respondents were asked to rate the extent to which Strategic HR management is a motivating activity to undertake in the hotel, 45.5% indicated that it was to a great extent, 36.4% indicated it was to a moderate extent, 12.1% to a very great extent and 6.1% to a less extent. The findings are presented in table 9.

Table 9: Strategic HR Management as a tool for Monitoring activities

Extent of use	Frequency	Percent
To a less extent	2	6.1
To moderate extent	12	36.4
To a great extent	15	45.5
To a very great extent	4	12.1
Total	33	100.0

4.3.5: Addressing Strategic HR Management Issues

When they were asked to rate the extent to which the management understands how critical it is to address strategic HR issues in the hotel, 45.5% "rated to a great extent" 30.3% "to a moderate extent" 15.2% indicated to a "less extent" and 9.1% indicted to a "very great extent". The findings are presented in table 10

Table 10: Addressing Strategic HR Management Issues

	Frequency	Percent
To a less extent	5	15.2
To moderate extent	10	30.3
To a great extent	15	45.5
To a very great extent	3	9.1
Total	33	100.0

4.4: Factors that influence SRHM Practice in the Hotel Industry

4.4.1: Resources for Handling Strategic HR Issues

When the respondents were asked to rate the extent to which the resources required to handle strategic HR issues in the hotel are adequate, 51.5% indicated that they were adequate to a moderate extent 30.3% indicated to a great extent, 15.2% indicated to a less extent and 3.0% indicted to a very great extent. Findings are presented in table 11

Table 11: Availability of Resources for Handling Strategic HR Issues

Extent of Availability	Frequency	Percent
To a less extent	5	15.2
To moderate extent	17	51.5
To a great extent	10	30.3
To a very great extent	1	3.0
Total	33	100.0

4.4.2: Time Allocated to Strategic HR Management

When they were asked to rate the extent to which the Strategic HR management is allocated ample time by top management in the hotel, 36.4% indicated that it was to a great extent 30.3%, indicated it was to a moderate extent, 27.3% indicated to a very great extent and 6.1% indicted to a less extent. The table below shows the findings.

Table 12: Extent to which time is Allocated to Strategic HR Management

	Frequency	Percent
To a less extent	2	6.1
To moderate extent	10	30.3
To a great extent	12	36.4

To a very great extent	9	27.3
Total	33	100.0

4.4.3: Importance of Strategic HR Management

When the respondents were asked to rate extent to which strategic HR management is clear to every one in the hotel, 30.3% indicated that it was clear to a great extent, 27.3% indicated it was clear to a very great extent, 21.2% indicated to a moderate extent and 6.1% indicted that it was not applicable. the findings are presented in table 13.

Table 13: Extent of clarity of Strategic HR Management

Extent of clarity	Frequency	Percent
Not applicable	2	6.1
To a less extent	5	15.2
To moderate extent	7	21.2
To a great extent	10	30.3
To a very great extent	9	27.3
Total	33	100.0

4.4.4: Output of Strategic HR Issues Committee

When they were asked to rate the extent to which the top management takes interest in the output of strategic HR issues committee in the hotel, 45.5% indicated that top management showed interest to great extent, 33.3% indicated it was to a moderate extent, 12.1% indicated to a very great extent and 9.1% indicted to a less extent. On Table 14 below shows finding.

Table 14: Output of Strategic HR issues the Committee on

Extent of top MGT interest	Frequency	Percent
To a less extent	3	9.1
To moderate extent	11	33.3
To a great extent	15	45.5
To a very great extent	4	12.1
Total	33	100.0

4.4.5: Respect for the Strategic HR Committee

The respondents were asked to rate the extent to which the strategic HR committees is highly respected and held in high esteem in the hotel. 48.5% indicated that the committee was expected and held in high esteem it was to a great extent, 24.2% indicated that was

to a very great extent, 15.2% indicated to a less extent and 12.1% indicted that was to a moderate extent. The results are in table 15.

Table 15: Respect for the Strategic HR Committee

Extent of respect for the committee		Frequency	Percent
	To a less extent	5	15.2
	To moderate extent	4	12.1
	To a great extent	16	48.5
	To a very great extent	8	24.2
	Total	33	100.0

4.4.6: Teamwork in the Strategic HR Committee

When the respondents were asked to rate the extent to which there is a feeling of teamwork in the strategic HR committee in the hotel 42.4% indicated that such feeling existed a great extent, 24.2% indicated it was to a moderate extent, 18.2% rated it to a less extent, while 12.1% indicated that the feeling was present to a very great extent and 3.0% indicted. That the statement was not applicable to them. The findings are presented in table 16

Table 16: Teamwork in the Strategic HR Committee

		Frequency	Percent
	Not applicable	1	3.0
	To a less extent	6	18.2
	To moderate extent	8	24.2
	To a great extent	14	42.4
	To a very great extent	4	12.1
	Total	33	100.0

4.4.7: Consideration of Strategic HR Management in Annual Plans

The respondents were asked to rate the extent to which Strategic HR management is incorporated in the annual plans of the hotel, 45.5% indicated that it was done to a great extent. 18.2% indicated it was done to a very great extent, 15.2% indicated that was done to a moderate extent, 12.1% indicated to a less extent and 9.1% said that not applicable. The results are in table 17

Table 17: Consideration of Strategic HR Management in Annual Plans

Extent	Frequency	Percent

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	Frequency	Percent
Not applicable	3	9.1
To a less extent	4	12.1
To moderate extent	5	15.2
To a great extent	15	45.5
To a very great extent	6	18.2
Total	33	100.0

4.4.8: Channels of Communication used to disseminate Strategic information to staff

In rating the extent to which clear channels of communication exist in their respective hotels in their respective to disseminate strategic issues to staff in the hotel, 36.4% indicated that such channels existed to a moderate extent, 33.3% indicated it was to a great extent, 15.2% indicated to a very great extent, 12.1% indicated to a less extent and 3% indicted that the statement is not applicable. Table 18 shows the finding

Table 18: Extend to which Channels of Communication for disseminating Strategic issues to staff existed

Extent	Frequency	Percent
Not applicable	1	3.0
To a less extent	4	12.1
To moderate extent	12	36.4
To a great extent	11	33.3
To a very great extent	5	15.2
Total	33	100.0

4.4.9: Extent to which Strategic Policies were clear to Line Managers

When they were asked rate the extent to which strategic policies are made clear to all the line mangers in the hotel, 54.5% indicated that this was done to a great extent, 18.2% indicated it was to a very great extent, 15.2% indicated to a moderate extent, 9.1% indicated to a less extent and 9.1% indicted that the statement was not applicable to them. The results are in page 9

Table 19: Extent to which Strategic Policies were clear to Line Managers

	Extent of clarity	Frequency	Percent
Valid	Not applicable	1	3.0
	To a less extent	3	9.1
	To moderate extent	5	15.2
	To a great extent	18	54.5
	To a very great extent	6	18.2

	Total		33	100.0

The purpose was to find out the strategic human resources management practices among classified hotels in Kenya, the benefits realized as a result of practicing strategic HR management in the hotel. Some of the benefits are as follows. That the hotel management will be able to predict and plan therefore avoiding crisis management. Improvement in decision making process exists. Staffs get motivated and satisfied with their work because of environment. Because of training the people skills greatly improve. All this goes along way to improve profitability level of the hotels among other gains. The differing opinions of the people involved limit the implementation of strategic HR management. This would tend to support the view that strategic HR management implementation may not be feasible if the degree of improvement is broader rather than a lean structure which can allow faster flow of information.

CHAPTER FIVE: SUMMARY,

DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

These chapter discuses the results obtained from the analysis of the data, as well as the conclusions reached. The chapter incorporates the various suggestions and comments given by the respondents in the interview. Findings have been summarized alongside the objectives of the study, conclusions have been drawn from the study and the recommendations for action are given.

5.2 Summary of the Findings

The outcomes of the study indicate that the hotels in the study fall under three stars at 12.1%, four stars at 69.7% and five stars at 18.2%. It is evident from the findings that most of the hotels (81.8%) are wholly l owned. Those locally or jointly owned constitute only 18.8%. The results further show that strategic HR has been adopted by the hotel industry and is being widely used in the running of the hotels activities. Most of the hotels have Strategic HR management plan in place to allow adjustment to changes in operating environment. This finding is critical because for companies to be able to effectively apply strategic HR practices they have to have plans in place to accommodate changes. The results indicate that the respondents cannot avoid the use of strategic HR management in the hotel industry.

It is evident that strategic HRM practices are based on HRM principles incorporating the concept of strategy. Since HRM is a coherent approach to the management of people, strategic HRM implies a planned way that integrates organisational goals with policies and action sequences. It is evident that sstrategic HR management has many different components, including policies, culture, values and practices. SHRM has a long-term

focus with a linkage between HRM and strategy processes, and the expectation that effective HRM policies produce organizational performance benefits.

5.3 Discussion

The findings of this research show that majority of hotels in Kenya have embraced strategic human resources management. However, some have not and these isolated cases are strongly advised to adopt strategic Human resources management in order to survive as this seems to be the trend.

There has been numerous studies on strategic management but not before has there been studies on SHRM among classified hotels in Kenya. At this stage, this study is only comparable to other studies in areas of strategic management.

The findings of the research to a large extent are consistent with what prevails in practise. This is because of what was found out in various practices in the industry. For instance, adoption of HR practises in the hotel industry was in existence. This included areas like linking human resources practices to corporate strategy, the fact that recruitment of employees was to a large extent linked to strategic needs of the organization and finally that training and development was based on strategic needs of the organization..

Quite frankly, the findings of this research contrast the reality in the hotel industry in Kenya. I will pick a few areas to justify the above statement. First of all although results show that head of human resource department is always consulted on strategic decisions that have human resources implications, this is not true, the reality on the ground is that they are only consulted for convenience either when the company has landed or is afraid of landing into labour or union problems.. Secondly, the findings that training and development is based on strategic needs of the hotel is not true, the reality is most of those trainings never takes place and the training budget is diverted to other projects like purchasing of standby generators, golf carts or crockery. Finally, the finding that the compensation is based on strategic needs of the organizations is not true because the reality is that most hotels are fighting to pay less in the name of low season or simply the inability to pay.

However, one area where the study concurs with the reality is on the area of performance appraisal where this is based on strategic needs of the organization. Other areas that are consistent with reality include corporate vision and mission.

5.4 Conclusion

From the findings of the study it was established that to a large extent Human Resources practices are linked to corporate strategies. This is demonstrated by the fact that 72.7% of hotels were found to have linked Human Resources practices to corporate strategy.

Regarding consulting Head of Human Resources on strategy decisions that have Human Resource implications, this was only in 12% of hotels research was conducted. Hence, this shows that Head of Human Resource Department in many hotels are left out of strategic decisions. This should be reversed as it can impact negatively in the over all strategic direction of an entire hotel .

Although corporate internal analysis identifying strength and weaknesses plays a major role in strategic Human Resource Management. In this research, only 4% of hotels have working corporate internal analysis for identifying strength and weaknesses. Therefore this is an area which hotels need to put more emphasis on.

Recruitment is another key to Strategic Human Resources Management. However, research findings show only 29% of hotels were found to be taking this point seriously. This should be reversed when you, from the beginning strategically recruit you are sure to form a strong basis of strategic Human Resources Management in any organization.

In 33% of hotels where research was conducted, it was found channels of communication for disseminating strategic issues to staff existed. This is commendable as communication in any setting is vital for success.

Although in 65% of Hotels where research was conducted Performance appraisal was an important factor, hotels should ensure recommendations of Performance appraisal are effected both ways otherwise employees would think these are a waste of time despite their genuine hard work.

In closing, Kenya is gearing itself to the best in international competition and hotels therefore, cannot afford not to embrace Strategic Human Resources Management approach in their operations if this goal is to be achieved.

5.5 Recommendation for Further Studies

The following are suggestions for further studies that can be carried out.

1) The study should be extended to establish the prevailing Strategic Human Resources Management practices in other related sectors such as Tours and Travel and the Airlines.

2) A similar study can be conducted in hotels with less than three stars

5.6 Recommendations For Management

1) Head of Human Resources should always be consulted on Strategic decisions that have Human Resources implications.

2) Recruitment of employees should always be based on the strategic needs of the organization.

3) Management should avail resources for handling Strategic Human Resources issues.

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APPENDIX

Appendix I: Letter of Introduction

Department of business administration
Faculty of commerce
University of Nairobi
P O box 30197
Nairobi
29th August, 2008

To whom it may concern

Dear Respondent

RE: REQUEST FOR RESEARCH DATA

I am a post graduate student at the University of Nairobi undertaking a research project as part of the requirement of the degree of master of business administration (MBA). The topic of my research is "**Strategic Human Resources Management Practices among Classified Hotels in Kenya**".

Your Hotel has been selected to form part of the study. I kindly request you to fill the attached questionnaire. Please be assured that any information provided will be treated in strict confidence and solely used for academic purposes, neither your name nor that of the firm will be mentioned in the final report.

A copy of the research project will be made available to you upon request. I look forward to your response. Thanking you in advance

Yours Sincerely,

Caroli Mukunga Nguku
MBA student

Appendix II: Questionnaire

SECTION 1: COMPANY DATA

1. What's the name of your Hotel?...

2. Please indicate your Job Title ....

3. When was your hotel started? ....

4. What is the grade of your hotel? Tick the appropriate star

    a) Three star   (   )

    b) Four star   (   )

    c) Five star   (   )

5. Kindly indicate the appropriate management and ownership of the Hotel.

    a) Wholly foreign   (   )

    b) Group ownership   (   )

    c) Wholly local   (   )

    d) Individual   (   )

    e) Government   (   )

    f) Others (Please specify)..

6. Does your company have branches and associated companies in Kenya?

          Yes   (   )   No   (   )

    If yes, how many   in Kenya _____

                    Outside Kenya _____

SECTION 2: STRATEGIC HUMAN RESOURCES PRACTICES

7. The numbers on the measurement scales represent the following:

1. Not at all

2. To a less extent

3. Moderately

4. To a great extent

5. To a very great extent

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To what extent does the following statement apply to Human Resources Management in your organization?

	1	2	3	4	5
a) Human Resources Practices are linked to corporate strategy					
b) The Head of Human Resources Department is always consulted on strategic decisions that have Human Resources implications.					
c) Recruitment of employee is based on the strategic needs of the organisations					
d) Training and Development is based on strategic needs of the organisation					
e) Compensation is based on strategic needs of the organisation					
f) Performance appraisal is based on strategic needs of the organisations					

8. How would you rate the following factors before engaging in strategic HR management in your hotel (tick)

Key factors	Least considered		Most considered		
	1	2	3	4	5
Corporate strategic plan					
Corporate internal analysis identifying strength and weaknesses					
Corporate mission					
Corporate vision					
Benchmarking with the best in the industry					
Corporate monitoring and evaluation system					

9. To what extent do the following statements apply to your organization? (Tick where appropriate) (1-Not applicable, 2=to a less extent, 3 to a moderate extent, 4= to a great extent, 5 to a very great extent)

Statement	1	2	3	4	5
Strategic HR management holds a place in our hotel					
Strategic HR management is a motivating activity to undertake					
The management understands how critical it is to address strategic HR issues					

The resources required to handle strategic HR issues are adequate					
Strategic HR management is allocated ample time by top management					
The importance of strategic HR management is clear to every one in the hotel					
The top management takes interest in the output of strategic HR issues committee.					
The strategic HR committees is highly respected and held with high esteem.					
There is a feeling of teamwork in the strategic HR committee					
Strategic HR management is incorporated in our annual plans					
Clear channels of communication exist to disseminate strategic HR to staff					
Strategic policies are made are clear to all the line mangers					

HOTEL CLASSIFICATION SYSTEM

STAR (S)	DESCRIPTION OF FACILITIES
*	- Hotels with basic facilities and services meeting the quality standards - In harmony and conformity with locality - Separate and independent access for the hotel guests and delivery - Reception staff uniform and presentable - At least ten lettable rooms 100 percent private bathrooms - At least one restaurant that is well furnished and lit - One meeting room with or not less that 40sqms - Glass washing and drying machine shall be available - Enough storage capacity for water to last at least one day in case of breakdown in supply - Drinking water must be safe and potable and shall meet WHO standards - Lifts shall be provided for buildings of four or more stores including ground floor
**	Same as one star but: - With comfortable facilities, offering some services and amenities - Some claim to style and beauty - Good quality and harmony of colours - Enough storage capacity for water to last at least three days in case of a breakdown in supply - Drinking water must be safe and potable and shall meet WHO standards - Lifts shall be provided for buildings of four or more storeys including ground floor
***	Same as two star but with excellent facilities, offering a wider array of services and amenities - All rooms shall be approached through a corridor except for cottages - Good quality uniforms - Restaurants should be the same as one star but with a coffee shop or a snack bar in addition - Provision for smoking and non smoking area - At least one percent of suites shall be suites - Safe deposits available though not necessarily in the rooms - Enough storage capacity for water to last at least five days in case of a breakdown in supply - Drinking water must be safe and potable and shall meet WHO standards

STAR (S)	DESCRIPTION OF FACILITIES
	• Lifts shall be provided for buildings of four or more storeys including ground floor
****	• Hotels with superior facilities, offering a wide range of services and amenities • Mosquito nets available • High quality furniture and fittings • Enough storage capacity for water to last at least one week in case of a breakdown in supply • Drinking water must be safe and potable and shall meet WHO standards • Lifts shall be provided for buildings of four or more storeys including ground floor and a service lift be provided
*****	Same as four star but • Hotels with exceptional facilities, offering a full range of services and amenities • Locality and environment of high international standards • Building wholly detached • Exceptionally high quality of finishing • Enough storage capacity for water to last at least one week in case of a breakdown in supply • Lifts shall be provided for buildings of four or more storeys including ground floor and a service lift provided

Source: The government of Kenya, Ministry of Tourism, Kenya Gazette
Supplement No. 9. (Legislative supplement 9), February 16, 2005.

Where:

*	-	One Star
**	-	Two Star
***	-	Three Star
****	-	Four Star
*****	-	Five Star

Appendix IV: Essential Items for Hotel Classification

	Essential Items For Hotel Classification	
Vacation hotels	Town Hotels	Lodges
Menu	Menu	Menu
Service Staff	Service Staff	Service Staff
Bar Staff	Bar Staff	Bar Staff
Wash Hand Basin	Wash Hand Basin	Wash Hand Basin
Fume Extraction	Fume Extraction	Fume Extraction
Waste Disposal	Waste Disposal	Waste Disposal
Drainage	Drainage	Drainage
Kitchen Staff	Kitchen Staff	Kitchen Staff
Numbering of Rooms	Numbering of Rooms	Numbering of Rooms
Change of Linen	Change of Linen	Change of Linen
Safe Deposit	Safe Deposit	Safe Deposit
Front Office Staff	Front Office Staff	Front Office Staff
Refuse Disposal	Refuse Disposal	Refuse Disposal
Sewage	Sewage	Sewage, treatment & disposal
Vermin Proofing	Vermin Proofing	Vermin Proofing
Water Supply	Water Supply	Water Supply
Electrical Safety	Electrical Safety	Electrical Safety
First Aid	First Aid	First Aid
Safety of Swimmers	Safety of Swimmers	Safety of Swimmers
Qualification of Management Staff	Qualification of Management Staff	Qualification of Management Staff
Department Heads	Department Heads	Department Heads
Qualification Of Operative Staff	Qualification Of Operative Staff	Qualification Of Operative Staff
Medical Examination	Medical Examination	Medical Examination
Hotel Insurance	Hotel Insurance	Hotel Insurance

Appendix V: Classified Hotels in Nairobi and Mombasa

Classified Hotels in Nairobi and Mombasa	
Nairobi Classified Hotels-Over Three star	
No. Hotel	Classification
1 Grand Regency	Five Star
2 Hilton Hotel Nairobi	Five Star
3 The Norfolk	Five Star
4 The Stanley	Five Star
5 Hotel Intercontinental	Five Star
6 Safari Park	Five Star
7 Nairobi Serena Hotel	Five Star
8 Windsor Golf and country club	Five Star
9 Fairview	Four-Star
10 Holiday Inn	Three- Star
11 Jacaranda Hotel	Three- Star
12 Silver Spring Hotel	Three Star
13 Nairobi Safari Club	Three- Star
14 Marble Arch Hotel	Three- Star
15 Bounty Hotel	Three- Star
16 Ambassadeur Hotel	Three- Star
17 Six Eighty Hotel	Three- Star
18 Utalii Hotel	Three- Star
19 Panafric Hotel	Three Star
No. of Nairobi Hotels	**19 Hotels**

No.	Hotel	Classification
	Mombasa Classified Hotels	
No.	Hotel	Classification
1	The Whitesands Hotel	Five-Star
2	Sun "N" sand Beach Resort	Five star
3	Hemingways Resort	Five star
4	Travellers Beach Hotel	Four star
5	Leisure Lodge Hotel	Four star
6	Leopard Beach Hotel	Four Star
7	LTl kaskazi	Four star
8	Severin Sea Lodge	Four star
9	Nyali Beach Hotel	Four star
10	Mombasa Serena beach Hotel	Four-Star
11	Indian Ocean Beach	Four star
12	Safari beach Hotel	Three star
13	Alliance Jadini Beach Hotel	Three star
14	Aliance African Sa Lodge	Three star
15	Voyager Beach Resort	Three star
16	Papillion Reef Limited	Three star
17	Turtle Bay Beach Hotel	Three star
18	Lawfords Hotel and beach club	Three star
19	Mombasa Beach Hotel	Three star
20	Dian Sea Resort	Three star
21	Dian Reef Grand Hotel	Three star
22	Baobab Beach Resort	Three star
23	Indian Beach Apt Hotel	Three star
24	Southern palms Brach Resort	Three star
25	Kilifi Baharini Resort	Three star
26	Woburn Residence Club	Three star
27	Baharini Beach Hotel	Three star
28	Reef Hotel	Three star
	Mombasa Hotels	28

Source: The Kenya Gazette, Gazette Notice Number 397 of

13th June 2003 and the Gazette Notice Number 1648 of 23rd July 2004