

**ADOPTION OF BEST PRACTICES IN HUMAN RESOURCES
MANAGEMENT AMONG HOTELS IN KENYA**

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**A Management Research Project submitted in partial fulfillment for
the award of the Master of Business Administration degree, School of
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DECLARATION

I hereby declare that the work in this project is my original work, and has not previously in its entirety or in part been presented at any other university for a degree. All references cited in the text have been duly acknowledged.



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To God, be the glory.

TABLE OF CONTENTS

CHAPTER ONE: INTRODUCTION.....	i
1.1 Background.....	i
1.1 1 Human Resources Management Models.....	1
1 1 2 Best Practices in Human Resources Management.....	2
1.13 Hotel Industry in Kenya.....	4
1.2 Statement of the Problem.....	5
1.3 Objectives of the study.....	7
14 Importance of the Study.....	7
CHAPTER TWO: LITERATURE REVIEW	
2.1 Human Resources Management Practices.....	9
2.2 Best Practices in Human Resources Management.....	10
2.2.1 Recruitment and Selection.....	10
2.2.2 Effective Communication System.....	12
2.2.3 Employee Retention.....	13
2.2.4 Performance Management.....	14
2.2.5 Training and Development.....	15
2.2.6 Employee Relations.....	16
2.3 Factors that influence the adoption of best practices in human resources management.....	18
2.3.1 National cultural factors.....	19
2.3.2 Organizational culture.....	20
2.3.3 Human resources management practice level factors.....	20
2 3 4 Ownership factors.....	21
2.3.5 Management Factors.....	21
CHAPTER THREE: RESEARCH METHODOLOGY	
3.1. Research Design.....	23
3.2. Population of study.....	23
3.3. Data Collection.....	23
3.4. Data Analysis.....	24
CHAPTER FOUR: DATA ANALYSIS AND FINDINGS.....	25
4 1 Introduction.....	25
4 14 Ownership of the hotels.....	26
4 2 Extent of adoption of best practices in human resources management.....	27
4 2.1. Recruitment & selection policies and procedures.....	27
4 2.2. Sources of Recruitment.....	27
4 2.3 Key information provided in advertisements of jobs by the hotels.....	28
4.2.4 Employee selection practices among the hotels.....	29
4.2.5. Length of the hiring process among hotels.....	30
4.2.6. Staff training and development among hotels.....	30
4 2.7. Employee performance management among the hotels.....	31

4.2.8	Remuneration practices among hotels.....	32
4.2.9	Employee relations among hotels.....	33
4.3	Factors that influence the adoption of best practices in human resources management.....	34
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....		36
5.1	Summary.....	36
5.2	Conclusions.....	37
5.3	Recommendations.....	37
5.4	Limitations of the study.....	38
5.5	Suggestions for further study.....	39
	References.....	40
	Appendices.....	45

4.2.8	Remuneration practices among hotels.....	32
4.2.9	Employee relations among hotels.....	33
4.3	Factors that influence the adoption of best practices in human resources management.....	34
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....		36
5.1	Summary.....	36
5.2	Conclusions.....	37
5.3	Recommendations.....	37
5.4	Limitations of the study.....	38
5.5	Suggestions for further study.....	39
References.....		40
Appendices.....		45

CHAPTER ONE: INTRODUCTION

1.1 Background

Human resources management (HRM) policies and practices are considered to play an important role on firm performance (Boudreau, 1991, Jones and Wright. 1992; Kleiner. 1990) More recently, there has been considerable debate about the best possible ways in which HRM can be utilised to contribute to a firm's success (Huselid. 1995. Delaney and Huselid. 1996; Youndt *et al*, 1996; Delery & Doty 1996; and Bae & Lawler. 2000; Singh. 2003, and Rodnguez & Ventura. 2003). These authors argue that adoption of what has been variously referred to as high performance, high involvement or high commitment work practices, including comprehensive recruitment and selection procedures, extensive employee involvement and training can lead to positive organizational outcomes such as improved worker efficiency and output, reduced absenteeism and worker turnover, and consequently better firm performance.

1.1.1 Human Resources Management Models

In human resource management literature, there are three main approaches to management of employees; one based on the "best practice" school, resource based and "best fit" or contingency school of thought the best practice model was pioneered by Pfeffer (1998) who suggested a number of human resource management practices, termed as best practices, which he believed could improve organizational performance These are namely; selective hiring, extensive training, employment security, diffusion of information, team working, reduction of status differences, and performance related and incentive pay. Boxall and Purcell's (2003) on the other hand viewed "best practice" as a bundle of practices that tend to emphasis the importance of building employee ability through good recruitment and training, the role of strong financial incentives and the value of enabling employees to contnbute their ideas through work design and indirect forms of employee participation.

Scholars in best practice hold the view that investment in people through the application of appropriate human resource management practices can lead to improved organizational performance. Huselid (1995) contends that human resources management practices influence skills in various ways; through recruiting procedures that attract a large pool of skilled potential employees, a reliable, valid and transparent selection process which sieve and enable the organization to acquire new employees with special skills and potential. Coupled with formal and informal training, employees so acquired are motivated through an appraisal system, which is linked to the organizations total compensation scheme. Current study will be biased towards the adoption of best practices in human resources management. This is because according to Ezzamel et al (1996), the best practice route not only allows a researcher to gain insights into the extent and nature of change which might have taken place, but also allows for piecemeal initiatives to be examined.

1.1.2 Best Practices in Human Resources Management

Best practices in human resources management are bundles of human resources management practices aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competencies leading to improved organizational performance. These practices include realistic job previews, use of psychometric tests for selection, well developed induction programs, provision of relevant training, regular performance appraisal and feedback, performance based pay, profit related bonuses, flexible job descriptions, multi-skilling, work improvement and problem solving teams, effective communication system, harmonized holiday entitlement, and avoidance of redundancies.

There are two groups of researchers in best practices in human resources management, the first focuses on a single or several human resources management practices and examine their effect on various organizational outcomes (Abowd. 1990; Banker et al.. 1996; Delaney and Huselid, 1996; Delery and Doty. 1996; Gerhart and Milkovich. 1990; Harel and Tzafnr. 1999; Khatri. 2000; Koch and McGrath, 1996; Leonard. 1990; Terpstra and Rozell. 1993). The second group of scholars examines the

effect of bundles, or systems, of human resources management practices on performance (Arthur, 1994; Huselid. 1995, MacDuffie, 1995; Becker et al.. 1997; Ichniowski et al., 1997; Pfeffer. 1998, Hoque. 1999; Michie and Sheehan-Quinn, 2001).

MacDuffie (1995) proposed a set of human resources management practices that he called innovative and that, in short, were characterized by providing the workers with the necessary skills and abilities, motivating them to do a good job and giving them the opportunity to participate Pfeffer (1998) on the other hand suggested a number of human resource management practices, termed as best practices, which he believed could improve organizational performance, while Boxal and Purcell's (2003) viewed "best practice" as a bundle of practices that tend to emphasis the importance of building employee ability through good recruitment and training, the role of strong financial incentives and the value of enabling employees to contribute their ideas through work design and indirect forms of employee participation. In other words organizations can maintain or create sustained competitive advantage through human resources management practices that increase the value of the human capital pool. These practices include realistic job previews, use of psychometric tests for selection, well developed induction programs, provision of relevant training, regular performance appraisal and feedback, performance based pay profit related bonuses, flexible job descriptions, multi-skillmg, work improvement and problem solving teams, effective communication system, harmonized holiday entitlement, and avoidance of redundancies.

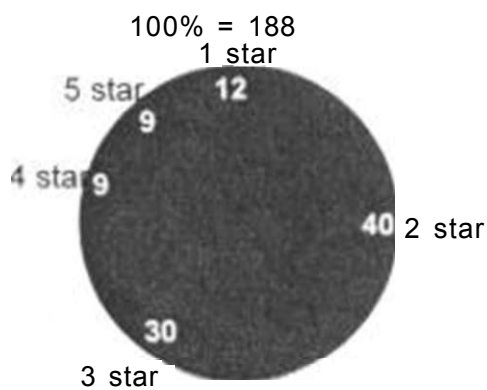
The current study will adopt the Boxal and Purcell's (2003) bundle approach, by specifically looking at recruitment and selection, employee communication, employee retention, performance management, training and development and employee relations. This is because the bundle approach will allow for comparisons and benchmarking among the selected hotels

1.1.3 Hotel Industry in Kenya

Hotels provide accommodation, facilities for transaction of business, meetings and conferences, and recreation and entertainment. However, accommodation plays a crucial role in the performance of a hotel since it influences the type of visitors patronize a destination. As Young (1973) observed, accommodation more than any other component, will influence the sort of industry a destination will develop.

The hotel industry in Kenya comprises hotels, lodges, health spas and restaurants spread across the country. However, high level of tourism activity is currently concentrated in only a few key areas (e.g., 80% of tourists visit only 7 of the 26 game parks in Kenya). In addition, only 18% of hotels in Kenya are 4/5 stars, while 70% are in the 2 and 3 stars category as shown in figure 1 below. This creates the need to improve the quality of the offering, especially as long haul tourists from Kenya's key markets are considered to have higher average spend/tourist and are continually demanding high quality accommodation (e.g., 60% of German tourists book 4/5 star hotels).

Figure 1
Breakdown of Hotels in Kenya



- -18% of hotels are 4 and 5
- -48% of hotels in Kenya are stars and above

Source: Draft Vision 2030; diagnosis of Tourism

After years of stagnation and decline. Kenya's tourism industry has staged a remarkable recovery in the last 3 years. In addition to the growth rates experienced in the sector there has also been an intensification of competition. In this changed environment, customers are becoming more sophisticated, experienced, and demanding (Chacko, 1998, Sharp. 2001) and quality has become one of the key business pressures for hotels (Brophy and Kiely. 2002). Improvements in the service-delivery process offer an opportunity to improve the overall quality of the service (Teare and Olsen, 2001) with an emphasis on total customer satisfaction rather than Just service quality (Bou Llusar *et al*, 2001).

Quality of staff performance being the most influential factor on the overall satisfaction of travelers (Bowen and Chen. 2001; Mattila, 1999; Qu *et al.*, 2000). the human resources challenges facing Kenya hotels have been fast tracking the training and development of staff to enable them to consistently offer superior service, and address service quality concerns such as customer focus, service culture, employee satisfaction and top management commitment and reduction in employee turnover through commitment programmes. Adoption of best practices in human resources management may therefore create a conducive environment making it easier for hotels to attract and retain a motivated workforce. This in turn will lead to employee satisfaction and commitment, higher levels of customer service, improved customer loyalty and market share, and the resultant higher hotel performance (Enz and Sigawaw .2000).

1.2 Statement of the Problem

The revival of the tourism in Kenya has presented many challenges to hotel operators, **especially** those related to human resources as they seek to differentiate themselves **from** competition. Poppleton (1989) argued that hotels have for a long time relied on **unstructured** recruitment and selection procedures with interviews conducted by **managers** not trained in interviewing techniques. As a consequence, recruitment and

selection in the hotel industry has tended to be informal, simplistic and reactive (Kelliher and Johnson, 1987; Croney, 1988; Pnce, 1994). The shortcomings in the recruitment and selection process are compounded by the long and unsocial hours (Mullins. 1995). the unpredictable and often seasonal employment, low pay. low morale and as a consequence high employee turnover Rowley et al, (2000) claims that these problems are more prevalent in the hotel industry relative to other industries and Croney, (1998) attribute this state of affairs to poor professional personnel practices Therefore to remain competitive and financially successful, hotels have been forced to develop strategies of high quality customer that will help them sustain commitment to service quality. Such commitment is dependent on the staff members who deliver a high proportion of the product/service mix of hotels (Presbury et al, 2005)

A customer's contact with a hotel is through service employees. Over time, contact between employees and repeat customers build bonds of trust and expectations. Consequently, hotel strategies aimed at sustaining quality service have inherent programmes of nurturing a loyal workforce in order to achieve quality service. With the service-quality components having the greatest potential to create distinction (Parasuraman et al., 1988; Saleh and Ryan. 1991; Gundersen. et. al.. 1996; 2000; Kandampully et al.. 2002), the challenge for hotels has been to develop management practices which will enable them to attract and retain their qualified personnel and thereby maintaining their competitive advantage. As Baum (1995) has argued, tourism is about the guests, and tourism and hospitality employees are part of the product because they are responsible for the delivery of the service. Employees are thus ultimately responsible for the satisfaction or dissatisfaction of customers with the experiences they have had.

Researchers in best practices in human resource management have concentrated on the content of human resource practices. First there are those who focus on a single or several HRM practices and examine their effect on various performance measures (Abowd. 1990. Banker et al., 1996; Delaney and Huselid. 1996; Delery and Doty. 1996; Gerhart and Milkovich. 1990; Harel and Tzafrir. 1999; Khatn. 2000; Koch and McGrath.

1996. Leonard. 1990. Terpstra and Rozell, 1993). There are also some equivalent studies examining the effect of bundles, or systems, of human resources management practices on performance (Arthur. 1994. Becker et al., 1997; Hoque, 1999; Huselid. 1995; Ichmowski et al.. 1997; MacDuffie. 1995; Michie and Sheehan-Quinn. 2001) No attempt is made by these scholars to study the factors that influence the adoption of such practices. In Kenya, research in human resources issues has so far been in other sectors including manufacturing (Rimberia. 2001), banking (Cheruto. 2003) and telecommunication (Misigo, 2005) but there is little evidence of similar studies in the hotel industry The current study therefore seeks to bridge this gap by first examining the extent of adoption of best practices in human resources management and the factors that influence the adoption of such practices among the selected hotels in Kenya

1.3 Objectives of the study

1. To establish the extent to which the selected hotels in Kenya have adopted best practices in human resources management.
- 2 To determine the factors that influences the adoption of best practices in human resources management in the selected hotels in Kenya.

1.4 Importanco of tho Study

- (i) The findings from this study are expected to enhance our knowledge of the extent of adoption of best practices human resources management among the selected hotels in Kenya, and the factors that influence the adoption of such practices
- (ii) The study will also increase the stock of theoretical and empirical knowledge especially in the African context and this will also form the basis for further research.
- (•ii) Research among hotels in other parts of the world have shown that employee relations climate in the hotel industry is characterized as poor, with high labour turnover and high rates of absenteeism, dismissals, accidents,

grievances and disciplinary cases (Lucas, 1996. Kelliher and Johnson, 1997), Findings of this study will not only serve as a model for best practice in human resource management among hotels, but also form a basis for training existing and new managers and also assist hotels to adopt practices, which will in the long run sustain their competitive advantage through staff retention. and ensure their survival in the market

CHAPTER TWO: LITERATURE REVIEW

2.1 Human Resources Management Practices

Pfeffer (1994) identified seven human resources management practices, which, he argued, contribute to improved firm performance and constitute best practice. Huselid (1995) and Delaney and Huselid (1996) on the other hand support this view by reporting positive associations between human resource practices such as training and staffing selectivity and firm performance. MacDuffie (1995) propose a set of human resource practices that he called innovative and that, in short, were characterized by providing the workers with the necessary skills and abilities, motivating them to do a good job and giving them the opportunity to participate while Youndt et al (1996) examined the relationship between human capital enhancing human resource systems and administrative human resource strategies and concluded that human capital enhancing strategies were positively related to operational performance. More recently, Rodriguez and Ventura (2003) report that a human resource system has a positive effect on employee outcomes such as turnover and morale and consequently overall firm performance.

Ichniowski et al. (1997) propose the following as innovative human resource management practices: contingent compensation, high screening in recruiting and selection, teamwork, employment security, job rotation, skill training, and communication activities. According to Walton (1985), commitment system of managing employees is more beneficial and suitable for the company as it aims to involve the workers in such a way that their behavior is self-regulated. The commitment system involves practices such as staff participation, work-teams, and job security, among others. Youndt et al. (1996) differentiated between administrative and human-capital enhancing human resources management practices, basing that distinction on two different approaches to staffing, training, performance appraisal and compensation practices

Authors of human resource management are in agreement that, people management plays a key role in the success of organizations. (Crosby. (1980); Ishikawa. (1985); Deming, (1986); Juran, (1989) among others hold the view that employees naturally care about the quality of the work they do and want to improve it as long as they are provided with the training, the appropriate tools, and a supportive managerial environment for their ideas to be developed. Thus it would seem that there is a key role for human resources management practices to play in service quality improvement. Purcell's (1996) bundle of human resource management practices consists of: careful recruitment and selection; extensive communication systems; team working and flexible job design, training and learning; employee involvement, and performance appraisal. These practices are similar to those developed by Pfeffer(1998) which he referred to as human resources management best practices. Both authors imply that these practices do not operate in a vacuum; rather they are effective in an environment with a supportive job infrastructure. "Job infrastructure", has been defined as a set of workplace arrangements that equip workers with the proper abilities to do their jobs, provide them with the means to do their jobs, and give them the motivation to do their jobs.

2.2 Best Practices in Human Resources Management

The best practice model was pioneered by Pfeffer (1998) who suggested a number of human resource management practices, termed as best practices, which he believed could improve organizational performance. Similarly. Boxall and Purcell's (2003) viewed 'best practice' as a bundle of practices that tend to emphasize the importance of building employee ability through good recruitment and training, the role of strong financial incentives and the value of enabling employees to contribute their ideas through work design and indirect forms of employee participation Best practices under various human resource management functions are discussed below

2-2.1 Recruitment and Selection

On the list of human resource management best practices, authors view recruitment and selection as the foundation for human resources management.

Roos and Pike (2001) argue that since human resources management practices influence the development of a company's human capital, recruitment and reliable selection procedures do influence the quality and type of skills new employees possess. Pfeffer (1994) concurs with their arguments and points out that a company must utilize available resources to acquire and develop employees who possess better skills and capabilities than their competitors to succeed in today's global business environment. From a hotel industry perspective, the starting-point for a quality service is quality staff to produce and deliver such services.

The hotel industry uses both formal and informal recruitment sources. Formal sources are for most times reserved for specialized positions like sales and marketing executives, hotel engineers, and accountants with ICPAK qualifications among others. The informal sources of candidates are in most cases limited to lower cadre staff. Some empirical studies depict informal recruitment methods produce workers who stay with the organization longer than those recruited by other methods (Taylor, 1994; Breugh, 1981). Wanous, (1980) argues that informal recruitment methods, such as employee referrals, act as realistic job previews and thus provide accurate and detailed information about the organization and the job to the potential applicants. With such information, the recruits that are attracted have clearer views of what the job requires, can self-select themselves to accept or not to accept positions, and can form more realistic expectations about the job (Watson, 1989).

An effective recruitment and selection process should therefore be able to attract staff with the required attitudinal and behavioral characteristics, induct them into a quality culture and retain their services. Unfortunately, Schlesinger and Heskett (1992) argue that some hospitality organizations become trapped in a self-perpetuating recruitment and retention cycle of high staff turnover. The cycle of failure seems to ensure a continuing deterioration of service quality, managerial headaches, and long-term poor

service. The starting point on the cycle is when organizations tolerate high staff turnover and expect their employees to be dissatisfied. Service workers are paid low wages; their job is simplified, repetitive and boring and requires little training. The organization therefore lowers its expectations in terms of levels of dedication and loyalty from its staff and accordingly it gets what it expects. High staff turnover and motivation become worse as management do not want to invest in staff who will not stay with the organization long enough to pay back some of the resources used in the training.

2.2.2 Effective Communication System

The other practice on the list of human resource management best practices is extensive communication systems or diffusion of information. Kahneman et al., (1982) argued that individuals are poor processors of information and therefore in most cases fail to understand the true causal relationships among the variables they encounter at the work place. It is therefore understandable when employees misjudge situations and make wrong decisions. Under such circumstances, Kahneman et al (1982) believe that employees rely on colleague's assistance to collect information concerning the environment so as to better understand the available alternatives and make correct decisions. They support their argument with the views of Wright et al., (1997) who found out that there are instances where human resources personnel were unable to translate company's strategic goals into supportive human resources activities. Participation and worker involvement are believed to be effective in promoting organizational performances. Teece et al (1997) pointed out that decentralization and worker involvement can not only facilitate the process of market evaluation but can also enhance the transformation of worker capabilities in obtaining an advantage over competitors. Some decentralization of authority and workers' participation are always required in any operating unit in order to develop an appropriate system of practices for the unique competitive situation (Wright et al., 1997). These authors (Kahneman et al. 1982; Teece et al., 1997; Wright et al. 1997) therefore believe that a set of proper information sharing and worker involvement mechanism is indispensable in any work setting.

2.2.3 Employee Retention

Having acquired staff with reliable work habits, the challenge for most organizations has always been retention of such marketable and sought after human assets. The retention of key strategic employees can have a major impact on the success or failure of an organization (Turbin and Rosse, 1990). This problem is particularly acute for the professional service sector like hotels where the loss of key personnel can affect the organization's ability to maintain consistency in customer service. The retention of talented employees increases the reputation and image of the organization and thus increases selection attractiveness, which in turn enhances a firm's ability to recruit high-performing staff.

Turnover represents an outflow of skills and may consequently seriously hinder competitiveness, efficiency and quality delivery. Turnover can occur for a variety of reasons with the main ones being retirement, redundancy, dismissal and resignation. However, resignation occurrence which is hardest to predict, has the most disruptive effects. Research shows that employees who leave voluntarily tend to be above-average performers (Staw, 1980) and in most cases leave to join competitor organizations. A particular problem for organizations with high turnover rates is maintaining high standards of customer care. ReichokJ (1993) sees retaining carefully selected employees as the key to customer retention. The costs of practices designed to facilitate the retention of employees - for example attractive salaries, improved working conditions, job security are more than offset by the financial benefits of retaining existing customers over the costs of winning new ones, the so called 'relationship marketing' (Berry, 1983).

Employee retention poses particularly acute problems in high-contact service industries. Schlesinger and Heskett (1991) describe a cycle of failure where high employee turnover results in low productivity, poor service, angry customers, even more discontented workers and thus continuing high turnover. Thus for Sellers (1990) customer retention and employee retention feed one another* and results in quality improvement. According to Rust et al. (1996), organizations with satisfied employees

have satisfied customers. Organizations with strategies of high quality customer service also have programmes aimed at nurturing a loyal workforce in order to achieve the high quality customer service. According to Cole (1993), the reason for this is simply a function of the fact that the employees' intimate knowledge of organizational routines grows with their length of service. Ultimately, a customer's contact with a company is through employees. Over time, contact between employees and repeat customers build bonds of trust and expectations. When these employees leave, the bonds break as well. This effect also holds true for the internal customer. When an employee leaves a vacancy chain is set in motion often involving the transfer of many other employees. This again disrupts the smooth working of the organization and quality defects emerge at the end of the chain with external customer effects.

2.2.4 Performance Management

Performance appraisal is considered as one of several key elements of performance management. Candy and Dobbins (1994) define performance appraisal as the process of identifying, observing, measuring and developing human resources in organizations. In addition to allocating rewards, organizations use appraisals to provide developmental advice to employees, as well as obtain their perspectives and justice perceptions about their jobs, departments, managers and organizations. (Erdogan, 2002; Holbrook, 2002; Longenecker, 2002).

According to Gilliland and Langdon (1998) an effective appraisal system is the one that inspires employees to believe that their input in the appraisal process matters to management. Korsgaard and Robertson (1995) propose that such input may range from having the opportunity to challenge or rebut the evaluation one receives to judging one's own performance through self-appraisal. Regardless of the nature of employee input, it is clear that giving employees a voice in their own appraisals enhances the perceived fairness of the appraisal process, which, in turn, increases the likelihood that employees will accept the appraisal system as a legitimate and constructive means of gauging their performance contributions. As noted by Gilliland and Langdon (1998), Without the perception of fairness, a system that is designed to appraise, reward,

motivate, and develop can actually have the opposite effect and create frustration and resentment

From a service organization perspective, it has been argued that appraisals play a key role in developing, communicating and monitoring the achievement of quality standards (Deblieux. 1991; Fletcher, 1993). Service organizations are now increasingly setting employee performance standards based on customer care indicators and appraising staff against these (Wilkinson *et al.* 1993) Customer service data for use in appraising employees are gathered in a variety of methods. First, there is the use of a range of customer surveys, such as via the completion of customer care cards, telephone surveys, customer focus groups, postal surveys, and complaint-lines. Organizations are now using such sources more frequently and are increasingly sophisticated in how they gather customer views (Silvestro. 1990). Secondly, there is the increasing use of the so-called "mystery shopping". Mystery shopping is argued to give a company a rich source of data that cannot be uncovered by other means, such as customer surveys. (Moore. 1990. Ring. 1992) Mystery shopping is also seen as being particularly useful in revealing staff performance that causes customers to leave without purchasing. Cook (1992) advises using them to reward staff for good performance rather than punish them for transgressions can help that acceptance. Poor ratings should be used, as a source for identifying training needs.

2.2.5 Training and Development

One of the critical objectives of performance appraisal is to provide feedback to foster employee growth and development (Stroul. 1987) Squires and Adler, (1998) suggest that an appraisal system must not only evaluate what has been accomplished, but also **'guide** future development, leverage existing strengths, and address skill deficiencies" This therefore means that, a working appraisal system is the first stage in the training **and** development of employees. The performance gaps identified in the process help managers generate training needs for their departments and at the end of the process; the human resource department is able to collate the training needs of the organization. Atoffcy (1992) describes the area of training and development as the "litmus test" of

human resource management and argues that, the training and development policy and procedures would be expected to be structured, forward-looking and based on training needs identified within the appraisal system

Ehrlich (1994), while commenting on training argues that, the speed with which workers learn to perform new tasks is very important in today's environment of rapid technological change. He is supported by Boudreau and Ramstad, (1997) who are of the view that every manager must make proper arrangements to ensure that employees not only possess the skills to accomplish their present jobs but also develop broader skills to meet future challenges. Investment in employees is therefore expected to produce returns via increased employee productivity and firm performance (Rumberger, 1987)

2.2.6 Employee Relations

Employee relations may be defined as those policies and practices, which are concerned with the management and regulation of relationships between the organization, the individual staff member and groups of staff within the working environment. Sound employee relations are based on effective mechanisms for communication and participation, a safe and effective work environment and a commitment and motivation of all staff

The employee relations climate in the hotel industry has also been characterized as poor, with high labour turnover and high rates of absenteeism, dismissals, accidents, grievances and disciplinary cases (Lucas, 1996; Kelliher and Johnson. 1997). Price (1994) argued that in the UK industry, there was "a dearth of sophisticated human resource management practices." The industry therefore has a negative image with vacancies in the hotel and catering sector being more difficult to fill than any other industry, and the considerable use of casual and part-time workers (Price. 1994. Lucas. 1995; Guerner and Lockwood. 1989)

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It is argued that sound employee relations create a perception of organizational fairness. Organizational fairness is described as the role of fairness as it directly relates to the workplace and it is concerned with the ways employees determine if they have been treated fairly in their jobs and the ways in which these determinations influence other work-related variables (Moorman, 1991). The human resources management practices, policies and procedures that operate in an organization therefore impact on individual's perceptions of bias and fairness (Kurland and Egan, 1999). Studies show that where employees believe they are treated fairly in the workplace then they hold positive attitudes towards the organization (Moorman, 1991), whereas human resources management practices that are perceived to be unfair have been found to result in the employee feeling bewildered and betrayed and thus less committed (Schappe, 1996).

It is therefore argued that sound employee relations engages employees in their work and therefore create commitment and by implication loyalty to the organization. Tasker (2004) defines engagement as a beneficial two way relationship where employees and employers go the extra mile for one another. Beech and Anderson (2003) explain that engagement levels may be low due to poor levels of trust between employees and employers.

Guest, (2002) argues that a relationship exists between the use of appropriate human resources management practices and positive employee attitudes among them job satisfaction and commitment. He further claims that these practices equip employees and enable them to function autonomously and responsibly. As such, organizations with low staff turnover as it enables employees to cope with any change in the work environment.

Kahn (1990) demonstrated that there are three psychological conditions of meaningfulness, safety and availability that exhibited positive relations with employee commitment. He defines psychological meaningfulness as "the value of a work goal or **purpose**, judged in relation to an individual's own ideals or standards". Psychological ^{^f e t} on the other hand is defined as* feeling able to show and employ one's self

without fear of negative consequences to self-image, status or career. Finally, psychological availability is an individual's belief that she/he has the physical, emotional or cognitive resources to engage the self at work.

Some authors have related the concept of meaningfulness with psychological contract. Pratt (1998) and Van Dick et al. (2004) argue that identification with groups and organizations can satisfy an individual's holistic need, since organizations provide meaning, and help the individual to find a sense in life. Employees are a key element in the operation of a successful organization in the service industry. This is largely because customers' perceptions of service quality is directly linked to the morale, motivation, knowledge, skills and authority of front line staff who are in direct contact with customers than in the case of a selling organization (Mahesh, 1998). Consequently, management needs to develop an environment, which creates perceptions of fairness and by extension trust between employee and management. This perception introduces an element of security for employees and reinforces the psychological contract thus adding meaningfulness to work.

2.3 Factors that influence the adoption of best practices in human resources management

The Critical Success Factors (CSF) approach to management has existed for some considerable time, with Daniel's (1961) work regarded as perhaps one of its earliest proponents. Historically, it has been applied extensively to the information systems (IS) field (Brotherton and Leslie, 1991; Davis, 1979; Edwards et al., 1991; Ghymn and King, 1976; Hickey, 1993; Robson, 1994; Rockart, 1979; Tozer, 1988; Ward et al., 1990). More recently, various researchers have undertaken hospitality-related Critical Success Factors (CSF) studies. These include Croston's (1995) investigation into the CSFs underlying superior hotel profitability; Peacock's (1995) investigation into the factors which are regarded as critical for a hospitality manager to be successful; Singerling et al.'s (1997) study into success factors in private clubs, Kaufman et al.'s (1996) study of the attributes associated with successful bed and breakfast operators superior hotel profitability. Factors identified in the various studies mentioned have been broadly

defined at national and organizational level, with culture taking a significant lead at both levels. Other critical success factors are at organizational human resources management practice, ownership and management structure related levels

2.3.1 National cultural factors

The general idea that national level factors exert effects on organization and human behavior has been extensively accepted (Beechler and Vang. 1994; Flood et al. 2003; Hennart and Lanmo. 1998; Kostova, 1999; Temple. 1999). Scholars have conceptualized and measured country-level effects by examining characteristics of national environments that can discriminate between countries and can explain the cross-country variance in organizational behaviors. Such environment could be defined by the socio-cultural and political settings. Nonetheless, attempts by some scholars. (Kogut and Singh, 1988, Barkema et al.. 1996, Hennart and Lanmo, 1998; Li et al.. 2001) to develop a single national factor failed.

Subsequent research by Hofstede (1980) led to the conclusion that both national and organizational level factors, and in particular culture, affect the adoption of human resources management practices. Hofstede (1980) defines culture as the collective mental programming of people who live in a particular society and he claimed that a society's culture has certain dimensions that need to be recognized before adoption or transfer of any practice. These dimensions include power, uncertainty avoidance, individualism, and masculinity. Similar to Hofstede's cultural dimensions. Trompenaars (1993) and Trompenaars and Hampden-Tumer (1997). identified five bipolar dimensions with concern to interpersonal relationship and work-related values, including Universalism versus particularism, communitarism versus individualism; neutral versus emotional; specific versus diffuse; and achievement versus ascription.

Consequently, it has been argued that different national cultures exert their separate influences on human behaviour, thus forming different human resources management Practices according to cultural environments. Lau et al (1997) and Hamson (1992) have studied job performance and management control systems in the context of national

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culture and found there are management practice differences between different national cultures. Adler (1995), Hamson (1992) and Lau et al. (1997) found that national culture had an impact on different human resources management practices

2.3.2 Organizational culture

Organizational culture is, to some extent, influenced by the national culture but varies, sometimes significantly, in different companies even if they are located in the same national cultural environment (Li and Liu, 2002). A widely accepted definition of organisational culture is a set of values shared collectively among organizational members (Chatman and Jehn, 1994; O'Reilly et al., 1991). The values can be grouped into seven dimensions: innovation, stability, and respect for people, outcome orientation, detail orientation, team orientation, and aggressiveness. Some companies are marked by very strong cultures, so strong that "you either buy into their norms or get out" (Peters and Waterman, 1982, p. 77). While the organizational cultures in other companies are weak. Any human resources management practice is rooted in its some deep value assumptions. When the values implied by particular human resources management practices and the values underlying the culture of an organization are compatible, it will be easier for employees to understand and accept human resources management practice.

2.3.3 Human resources management practice level factors

Although HRM practices vary from region to region, Dowling and Schuler (1990) argue **that** the most important HRM practices involve staffing and selection, assessment and compensation, training and development, and industrial relations and employee **participation**

Flood et al. (2003) pointed out that a specific HR practice is not only embedded in **written** documents but resides in the routines, practices, norms and values of the **organization**. De Long and Fahey (2000) argue that an HRM practice involves features of **three** types of knowledge, human, social and structured include tacit and explicit

^{Component} s; the explicit knowledge which refers to knowledge that is transmittable in systemic language is the determinant of how quickly any practice can be

anchored into an organization. Therefore, Bhagat et al. 2002 proposed that if an HRM practice is perceived as explicit, simple and independent, its acceptance by organization members will be faster and so will be the adoption.

2.3.4 Ownership factors

If an organization is part of a multinational corporation (MNC), the subsidiaries might be asked to comply with a set of HRM practices and policies from the parent company through which the multinational corporation achieves their control over subsidiaries. Ferner and Edwards (1995) posit that this issuing of HRM guidelines and rules by the parent company is based on authority relations between the parent company and subsidiaries, particularly when they are backed up by formal systems of management control with reward and penalty systems.

2.3.5 Management Factors

It has been argued that movement of managers from other countries can serve to aid in the dissemination of HRM practices which the expatriates are familiar with. Harris and Hoklen (2001) argue that expatriate managers have a considerable role as interpreters and implementers of HR and business strategy. So it is often left up to expatriates to put into full and efficient practice the knowledge acquired elsewhere and demonstrate and transfer know-how. Cerdin (2003) further points out that through their knowledge, expatriates can be earners of HRM practices and thus facilitate faster adoption arising from their familiarity with the practices. In the model of role of expatriates in the international diffusion of HR practices, Cerdin (2003) proposes that the higher the number of expatriates in a company, the faster the diffusion of HRM practices. Therefore, as Harzing (1999) and Wolf (1994) have pointed out, the functions of expatriates are not only filling of positions where no qualified local candidates are available, but also transferring knowledge and practices.

The human resources manager is the other person who could affect the ability of the organization to adopt new practices. Kanter (1983), Koussejck (1989; Howell and Higgins, 1990) and Wolfe (1995) identified the influential role played by the HRM and they

termed him/her as the innovation champion in the adoption of HR practices. The authors believed that the HR Manager's willingness to explore new avenues, ability to use a variety of influence tactics and engage in risk taking has been shown to result in a greater rate of innovation adoption. They argued that a strategically focused HRM contributes to effective organizational design, development of an appropriate organizational culture, design of reward structures, maintenance of information flows and encouragement of employee involvement. Terpstra et al (1996) supports these views by arguing that HR practitioner variables such as education, beliefs and assumptions determine information search behaviours, information use and ultimately, the HR practice adopted.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Research Design

The study adopted a descriptive study design. A descriptive study was the most appropriate design for the study as it enabled the examination of the entire population and description of existing phenomena by asking questions without making inferences or causal statements.

3.2. Population of study

The population of study consisted of all hotels in Kenya. However, due to costs related to some of the practices, it was assumed that the one and two star hotels which are in most cases family owned and managed might not have adopted the best practices in human resources management. Consequently, ninety- (90) hotels out of the national total of 188, composing of 17 five star, 17 four star and 56 three star hotels, resorts and lodges located in Nairobi, Mombasa and in the game reserves constituted the sample. Due to the size of the population, and other challenges of data collection such as low response rate and geographical dispersion of the respondents, the study targeted all the selected hotels, resorts and lodges.

3.3. Data Collection

Data was collected using a semi-structured questionnaire. The questionnaire was divided into three parts; Part A was for general information about the hotel, Part B addressed the specific best practices in human resource management while Part C addressed the critical success factors in the adoption of best practices in human resources management. The respondents will be the head of the human resources function in the hotels. The drop and pick later method will be used to administer the questionnaire.



3.4. Data Analysis

Once the questionnaires were collected, data was edited and appropriate coding done to enhance accuracy and reliability in the statistical data analysis. Data analysis was conducted using descriptive statistics, and more specifically the means and standard deviation to measure and rank the adoption of the various practices. Further, correlation analysis was done to establish the existence of any relationship(s) between the various categories of human resources management practices. To describe the population, frequency tables and percentages based on the star rating were used. This helped to identify factors that were attributed to the adoption of the HR practices,

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

The broad objective of this study was to determine the adoption of best practices in human resources management among hotels in Kenya. There were two specific objectives, namely to establish the extent to which the selected hotels in Kenya have adopted best practices in human resources management, and to determine the factors that influence the adoption of best practices in human resources management in the selected hotels in Kenya.

4.1.1. Response rate

The response rate was 37 out of the target sample of 90 hotels, resorts and lodges located in Nairobi, Mombasa and in the game reserves. This is a 42.2% response rate.

4.1.2. Star Rating of the hotels

Findings indicate that 16.2% of the respondents were from 3 star, 43.2% from 4 star and 40.5% from 5 star hotels respectively. The response rate was higher - 16 and 15 respectively among 4 and 5 star hotels and lower (6) among 3 star hotels. These results are summarized in Table 4.1.1.

Table 4.1.1: star rating of respondent hotels

Star rating	Frequency
3 Star	6
4 Star	16
5 Star	15
Total	37

4.1.3. Hotel information

Table 4.1.2 represents research findings on years of operation, hotel size in terms of rooms and the structure of staffing.

	N	Minimum	Maximum
Yrs of Operation	37	3	104
No of rooms	37	50	346
No of employees	37	70	487
No permanent employees	37	54	428
Contract Employees	36	0	155

Findings indicate that hotels in Kenya have been in existence for quite a long time. The youngest in terms of years of operation is three years, while the oldest is 104 years old respectively. This in a way shows the maturity of the industry, especially when one considers the cyclical nature of tourism business.

With respect to hotel size, the findings indicate that hotels in Kenya are of varying sizes ranging from 50 to 346 rooms. However, the lowest numbers of rooms are found in the lodges. Research has indicated that hotels located within towns have more rooms per unit ranging from 125 to 346 rooms, while the majority of lodges have less than 100 rooms. This is attributed to the fact that hotels within towns serve more market segments including leisure, corporate, conference, among others, lodges serve mostly leisure. Leisure business is more cyclical and therefore most lodges have lower number of rooms.

Most of the respondents indicated that their hotels use both permanent and contract employees. However, out of the total number of employees, 11.8% of them are on short term contracts. This is mainly due to the seasonal nature of business in the tourism industry.

4.1.4. Ownership of the hotels

Findings indicated that 24 (64.9%) hotels are locally owned, 4 (10.8%) foreign owned while 9 (24.3%) are partnerships between local investors and foreigners investors.

Tibto 4.1.3: Ownership of the hotels

Ownership	Frequency
Locally Owned	24
Foreign Owned	4
Locally/Foreign Owned	9
Total	37

4.2 Extent of adoption of best practices in human resources management

4.2.1. Recruitment & selection policies and procedures

Findings indicated that 94.6% of the responding organizations confirmed that they have developed guidelines on recruitment and selection of employees, while 5.4% did not have an organized structure for staff recruitment and selection.

These findings are actually counter to earlier assertions by some researchers in human resources management. Kelliher and Johnson, 1987; Croney, 1988 who argued that there are no formal structures in place among hotels. The existence of developed guidelines on recruitment and selection is a clear indication of the adoption of this human resources management practice, while the high number of those with the formal structures among the respondents suggests that the practice is widespread.

4.2.2. Sources of Recruitment

Table 4.2.1 summarizes the various sources of recruitment and their preference ranking.

Table 4.2.1: Ranking of various sources of recruitment

Recruitment sources	Mean	Std. Dev.
Recruitment agencies	2.57	1.015
Professional associations	2.61	0.994
Newspaper adverts	3.08	1.010
Database of students on industrial attachments	3.22	1.109
Employees referrals	3.57	1.042
Applications on file	4.27	0.732
Internal sources		

Findings indicated that most hotels preferred internal sources of recruitment, followed by employee referrals, applications to file and database of students who have participated in industrial attachments in the various hotels.

These findings indicate that most hotels in the sample rely on internal sources of recruitment for their staff. Internally sourcing for staff has been referred to as informal sources of recruitment. Taylor, 1994 and Breugh, 1981 argued that workers recruited through informal methods produce workers who stay with the organization longer than those recruited by other methods. Results from this research are consistent with

conclusions reached by Lockyer, C and Scholarios, D (2004), who argued that most hotels in the United Kingdom (UK) cited internal sources and employee referrals as the most frequently used sources of recruitment. The findings further explain the low staff as indicated by most respondents

4.2.3. Key information provided in advertisements of jobs by the hotels

Results indicate that the human resources practice of providing relevant information on job applications is taken seriously. This is clearly indicated in the fact that the least ranked type of information provided to potential applicants has a relatively high mean score (3.76) and an average standard deviation (1.17). The mean rankings of the various types of information and the respective standard deviations are provided in Table 4.2.2

Key information required	Mean	Std Dev
(i) Organizational vision	3.73	1.170
(M) Critical job objectives	3.86	1.182
(in) Organizational values	3.97	1.280
(iv) Candidates profile	4.19	0.967
(v) Key result areas	4.22	0.989
(vi) Purpose of the position	4.51	0.837
(vii) Reporting lines	4.58	0.732
(viii) Location of post	4.59	0.832
(ix) Minimum Professional Qualification	4.65	0.824
(x) Required competencies	4.76	0.495
(xi) Minimum academic Qualification	4.81	0.660

The findings indicate that key information that was ranked highest include academic qualification, required competencies, professional qualification and the location of the position. Least included type of information for job advertisement includes critical job objectives and the organizational vision, which have a relatively high standard deviation, thus indicating high variability in the response by the various organizations. This is an area hotels need to improve on as the information allows prospective employees to deselect themselves if the organizational vision and values go counter to their own, rather discovering at a later stage in the recruitment and selection process.

4.2.4. Employee selection practices among the hotels

The research sought to establish extend to which the hotels evaluated various personality aspects of the candidates during the selection process. The findings are summarized in Table 4.2.3.

Conmidorod aspoets in employe« Miction	Mean	Std Dev
(i) Realistic job previews	3.73	0.871
(ii) Multi-level/stage interviews	3.86	1.073
(iii) Perceptiveness of the applicant	4.05	0.780
(iv) Trainability of applicant	4.08	0.906
(v) Tactfulness of the applicant	4.14	0.673
(vi) Follow up on referees	4.22	0.947
(vu) Courtesy of the applicant	4.30	0.661
(viii) Knowledge tests	4.38	0.893
(ix) Senior Management involvement	4.38	0.758
(x) Personality of the applicant	4.49	0.692
(xi) Requesting contacts for referees	4.59	0.725
(xii) Communication skills	4.62	0.721

The findings indicate that all the aspects under this human resource management practice are considered by hotels during the employee selection process. However, the high standard deviation (>1) realized under multistage interviews indicate that not all hotels have a multistage selection process.

From a hotel perspective, service orientation depicted by certain personality characteristics namely courtesy, communication skills, tactfulness and perceptiveness among others are critical in the recruitment and selection process. These characteristics are captured in the study and are given greater consideration by hotels. These findings are consistent with those of Hogan et al (1984) and Kitching. (1994) who concluded that courtesy, communication skills, tactfulness and perceptiveness were critical aspects in the selection process of a hospitality organization.

4.2.5. Length of the hiring process among hotels

The recruitment and selection process in most hotels (54.1%) take between 4-5 weeks, although there are still some hotels that take less than 2 weeks (13.5%). and 2-4 weeks (32.4%).

Viewed against findings, the relatively short duration of the recruitment and selection process is due to the fact that a larger percentage of vacancies are filled from internal sources. As such, certain stages in the recruitment process are dispensed with, especially the large volume of applicants to reviewed and short listed, and the time taken to communicate with referees. Staff recruited from internal sources do not go through a lengthy induction program, and therefore settle faster into their new positions

4.2.6. Staff training and development among hotels

The research sought to establish the extent to which the hotels engaged in various training and development practices. The findings are summarized in Table 4.2.5.

Table 4.2.5: Training and Development practices

Training and development activities	Mean	Std Dev
(i) Employee empowerment	3.03	0.763
(ii) Taps on self-sponsored training	3.05	0.780
(iii) Job rotation	3.22	0.886
(iv) Quality circles / quality improvement teams	3.39	1.050
(v) Career planning	3.59	0.896
(vi) Development linked to recruit needs	3.65	0.716
(vii) Business strategy	3.81	0.877
(viii) Staff encouraged to multi-skills	3.97	1.013
(ix) Recruitment at entry level	4.00	0.968
(x) Provide opportunities for G & D	4.30	0.740
(xi) Development linked to organizational needs	4.41	0.725
(xii) On the job training	4.46	0.869

Findings indicate that training and developed needs are highly based on 'on the job training', activities are linked to organizational needs, and the hotels highly provide opportunities for growth and development. The findings indicated mixed findings with Aspect to use of quality circles/improvement teams. On the overall, the use of these

approach was scored as between 'highly engaged' and "neither/nor" (mean = 3.39). and a relatively high standard deviation (1.05). Further, the findings indicated that managerial positions are rarely filled from the existing workforce in the various hotels

The Federation of European tour operators report for October 2007 indicate that, there several television channels in Kenya's tourist source markets of Britain. Germany and France dedicated to educating travelers on their rights and the opportunities for class action against a destination if the quality of offering promised falls short. Against this background therefore, training is essential for hotel staff if they are to meet the needs of these crop of enlightened customers. However, as was the case in the Keltner and Johnson (1997) research, most establishments used on the job training. Since on the job training is carried out and supervised by line managers, the over reliance on this mode of training for staff development presupposes that managers themselves have been equipped with the necessary skills to effectively oversee this important task.

4.2.7. Employee performance management among the hotels

The findings on the extent of adoption of various performance management practices are summarized in Table 4.2.6

Tjblo 4.2.6 Adoption of performance management activities		
Performance management activities	N	Std Dev
Ji) Continuous review of performance	37	0.686
[ii) Performance expectations are SMART	37	0.776
(in) Transparent appraisal process	37	0.843
liv) Participative appraisal process	37	0.848
(v) Career progress based on appraisal	36	1.018
jvi) System performance appraisal	37	1.022
jvii) Focus on performance of all employees	37	1.038
iyiii) Adoption of performance related pay	37	1.038
l'x) Mission statement communicated to all employees	37	1.077
Reinforced mission statement	37	1.077
jxi) Communication of business progress	37	1.116
.i*2] Management by Objectives	37	1.169
U*!<l Communication on business plans	37	1.282

With respect to performance management practices, findings indicated that performance is continuously reviewed; the mission statement is communicated to all employees and reinforced throughout the organization. Least practiced is management by objectives and communication of business plans in the organizations. The findings further indicate relative variability in the adoption of these practices (standard deviation > 1). However, despite the variability in the scoring for the various practices, there seems to be some consistency in the high adoption of transparent and participative appraisal process, as well as the nature of performance expectations (Standard deviations are 0.843, 0.848, and 0.776 respectively). This is in line with Kelliher and Johnson' (1997) who found out that hotels in their sample utilized appraisal systems as a way of managing employee performance. However, just like in the current study, the appraisal system adopted is still basic in the sense that it is one sided with managers appraising their subordinates. The 360° appraisal system where appraisals are both vertical and horizontal has not been adopted.

4.2.8. Remuneration practices among hotels

The study also focused on remuneration practices used by the various hotels. The findings are summarized in Table 4.2.7.

Table 4.2.7: Remuneration practices

Remuneration practices		N	Std Dev
(i)	Rewards tied to competency	37	0.837
(ii)	Pay based on ability / performance	37	0.854
(iii)	Pay based on wide variety of rewards	37	0.866
(iv)	Pay based on Merit	37	0.889
(v)	Irvccompany/group based incentive	37	0.918
(vi)	Ensure market competitive packages	37	1.132

findings indicated that the remuneration practices are consistently adopted in the industry as most aspects evaluated under this practice were scored as "agree*" with relatively low variations (standard deviations < 1). This is mainly because most hotels' employees are members of a union and their salaries and basic conditions of work are covered under the collective bargaining agreement. The findings are consistent with

Alleyne et al (2006). who in their commentary on people management in the hospitality industry in Barbados found out that pay levels are based on industry level collective agreement in the hotels. However, these findings are counter to Kelliher and Johnson(1997) as their findings from their study in Britain indicated pay levels in various hotels are variable due to the low penetration of union membership. Kelliher and Johnson(1997) views are supported by Dickens and Hall, 1995; Welch and Leighton 1996, Bacon and Storey. 2000, Brown et al.. 2000, Millward et al.. 2000) who claimed that contemporary employee relations has shifted away from collective regulation of the employment relationship towards a more individual form of employment relations.

The Cuban experience is totally different; being a communist state, researchers Cervino, J and Bonache, J. (2005) found out that pay levels centrally established by the government and are the same all over the country and for all hotels in the country. Since both Barbados and Kenya are developing countries, it could therefore be argued that unionism as a way of setting pay levels is prevalent in countries at this stage of economic development.

4.2.9. Employee relations among hotels

Human resource practices towards the management of employees and employee relations were scored by the respondents. The findings are summarized in table 4.2.8.

Table 4.2.8: Employee relations

Management of Employee relation*	N	Mean	Std Dev
(i) Fair disciplinary process	37	4.54	0.558
ii) Employs freely appeal against disciplinary action	37	4.49	0.607
iii) Employees treated with respect & fairness	37	4.22	0.630
iv) Open door policy management	37	4.19	0.616
v) Professional & ethical standards maintained	37	4.14	0.751
vi) Forum for employees to air their views	37	4.05	1.153
vii) Fair & just management	36	4.00	0.632
viii) Flexibility in managerial decisions	37	4.00	0.850
ix) People oriented leadership	37	3.95	0.664
x) Service oriented leadership	37	3.89	0.936
xi) Regular team building/bonding events	37	3.43	0.899

The findings indicate consistent scoring of the various practices (Standard deviations <1). with the respondents highly agreeing that there exist fair disciplinary processes exercise of fairness and respect in the handling of employees, and use of open door policy. However, the use of regular team building was ranked least. While early research in the hotel industry (Lucas, 1996; Kelliher and Johnson, 1997) concluded that employee relations in the hotel industry was poor as evidenced by high turnover rates among other things, while Pnce, 1994; Lucas, 1996; Haynes and Fryer, 1999 claimed that the management style among hotels was autocratic. The current study has shown this not to be the case, at least in the Kenya context. This is because, apart from most respondents indicating that there was a low turnover rate, they also confirmed that the management style open door with a fair disciplinary process with inbuilt mechanisms for appeal.

4.3 Factors that influence the adoption of best practices in human resources management

Various authors; Kanter (1983) Kossjek (1989) Howell and Higgins, 1990 and Wolf (1994) Wolfe (1995) Harzing (1999) and Harris and Holden (2001) Cerdin (2003) have argued that the successful adoption of any new practice is dependent on a number of factors. One of the objectives of this study was to determine these factors and influence they might have played in the adoption of best practices among hotels in Kenya.

The findings of the study, rankings and consistency of the responses are summarized in Table 4.3 below.

Table 4.3: Factor* that Influence the adoption of best practice In human resources management

Success factor	N	Mean	Std Dev
(i) Organizational innovation	37	4.24	0.863
Team work orientation	37	4.19	0.660
(iii) Management respect for staff	37	4.16	0.688
jivj^ National /industry norm	37	4.00	0.782
(v) Individual staff training efforts	37	3.89	0.774
jvi) Employee exchange program	37	3.59	1.117
jvij) Geographical coverage of hotel network	37	3.46	1.145
i5Qi!)_ Org focus on external training	37	3.43	1.119
Size of the hotel network	37	3.38	1.010
Top Management Team composition	37	3.19	1.543
jxi)_ Nationality of general manager	37	2.43	1.324

Findings indicate that adoption of best practices in human resources management is driven by the following factors: organizational innovation; team work orientation, respect for staff; national/industry norms; and individual, staff training efforts (standard deviations <1). The other factors, although relatively important, were not consistently scored by the respondents (standard deviations >1). Scholars in human resources who had undertaken research in success factors are in agreement that there are certain factors that influence the ease with which organization can adopt new practices, among them organizational culture, national culture, management factors

The current study has established that organizational innovation; team work orientation, respect for staff, national/industry norms, and individual staff training are considered as the most important factors that influence the adoption of best practices in human resources management. Bradley et al (2004) argues that individual staff training creates champions who can be used by the organization to enhance buy-in from colleagues. Bradley et al's argument is consistent with finding from this study as respondents indicated that individual staff training efforts is one of the factors that influence the adoption of best practices. Chatman and Jehn, 1994; O'Reilly et al., 1991 believed that organizational culture encompasses certain values, namely, innovation, stability, and respect for people, outcome orientation, detail orientation, team orientation, and aggressiveness have also been accepted as one of the factors that influence adoption of best practices in human resources management. This view is supported by findings from the study which indicate that factors such as organizational innovation; team work orientation, respect for staff are considered to be influential in the adoption of best practices in human resources management; national/industry norms, and individual staff training. Peters and Waterman, 1982, who argued that when the values implied by particular human resources management practices and the values underlying the culture of an organization are compatible, it will be easier for employees to understand and accept human resources management practice. Most respondents disagreed with the notion that the nationality of the general manager plays a significant role in the adoption of best Practices in human resources management.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The most preferred sources of recruitment are internal, applications on file and database of student interns respectively. This means that, there are opportunities for growth within the hotels as staff are given the first priority for any positions which might fall vacant. In terms of employee selection, it was found that personality, courtesy, tact, perceptiveness, Knowledge, trainability tests are all used. Senior managers' involvement and multi-stage interviews during the employee selection is indicative of the fact that employee selection is taken seriously.

Findings indicate that the human resources management practice of providing relevant information on job applications is taken seriously. However, based on the findings, hotels place greater emphasis on academic qualifications, required competencies, followed by professional qualifications, location of post and reporting lines. Although key result areas and critical job objectives, only 50% of the respondents confirmed this information is provided. On the recruitment and selection process, most hotels take between 4-5 weeks, although there are still some hotels that take less than 2 weeks and 2-4 weeks. The shorter recruitment period is because of the over reliance on internal recruitment since the candidates are already familiar with the organization. These research findings also indicate that in most hotels, staff development is linked to organizational needs and there are opportunities for growth and development. Quality circles are used and this is indicative of the fact that staffs are involved in the development of workable solutions to any production/service problem. Findings from this study have also indicated that succession planning takes place in the hotels. This is supported by the existence of activities such as multi-skilling, job rotation, on the job training and career planning.

The findings on the remuneration practices indicate that hotels use most of the remuneration practices researched on. However, in-company based incentives.

performance based, merit and competency are used more. The narrow margins between the various remuneration practices indicate that pay levels in hotels are almost similar as they are set through collective bargaining agreements. On success factors in the adoption of best practices in human resources management, most respondents indicated that organizational innovation, management respect for staff, team work orientation and industry norm are some of the most important success factors in the adoption of best practices in human resources management. General misconceptions that nationality of the general manager could be a factor were found to be untrue as this factor scored the lowest.

5.2 Conclusions

The findings from this study point to the fact that hotels in Kenya have adopted best practices in human resources management. While it could be argued that the remuneration and employee relations practices are guided by the collective bargaining agreements, the other practices researched on did not have such conditionalities attached to their adoption. This view is supported by the fact that 7 out of the 8 best practices researched on returned an average mean of 3.2 to 4.3 out of 5, with standard deviations in most of the aspects being less than one. This indicates that there is a minor variation in the adoption of the practices among hotels. As envisioned in Kenya vision 2030, the tourism industry is one of the main drivers of growth in Kenya. To this end, the industry needs to invest in people management practices that will make the hotels more competitive as the drive towards 5 million visitors per year gathers speed.

5.3 Recommendations

This study has shown that, hotels in Kenya have adopted best practices in human resources management to varying degrees. However, the wide variances observed in the standard deviations of some of the practices, specifically; adoption of performance management activities, indicated that a number of hotels have not adopted this practice. It is my recommendation that hotels should adopt this practice since research (Erdogan, 2002; Holbrook, 2002; Longenecker, 2002) has shown that it is through these activities that employee perspectives and justice perceptions about their jobs, departments,

managers and organizations are known. Similarly, this study has shown that the reward structure in most hotels is based almost entirely on the collective bargaining agreement. With concepts such as performance contracts taking route in Kenya, it is my recommendation therefore that hotels should develop reward systems that recognize individual employee efforts. This is because, employees are aware of their colleagues behaviour and performance, and as Gilliland and Langdon. (1998) argued, without the perception of fairness, a system that is designed to appraise, reward, motivate, and develop can actually have the opposite effect and create frustration and resentment

Researchers in best practices in human resources management (Abowd, 1990; Banker et al., 1996; Delaney and Huselid, 1996; Delery and Doty, 1996; Gerhart and Milkovich, 1990; Harel and Tzafrir, 1999; Khatri, 2000; Koch and McGrath, 1996; Leonard, 1990; Terpstra and Rozell, 1993; Arthur, 1994; Huselid, 1995; MacDuffie, 1995; Becker et al., 1997; Ichniowski et al., 1997; Pfeffer, 1998; Hoque, 1999; Michie and Sheehan-Quinn, 2001) have argued that adoption of best practices in human resources management can lead to positive organizational outcomes, such as low staff turnover and better firm performance. The competitive environment in the hotel industry in Kenya therefore offers opportunities for hotels and it is my recommendation that efforts should be made to adopt these best practices in order to be more competitive and as a consequence more successful

5.4 Limitations of the study

Like any other research, this study was not without limitation. First, the geographic distribution of hotels in the sample coupled with poor telecommunication infrastructure especially in the lodges made it impossible to clarify any observed contradictions in the data. Secondly, the study did not achieve 100% response rate due to various reasons, including among others unwillingness of the selected hotels to participate in the study, and the bureaucracy in some hotels where the human resources management had to seek authority before releasing the questionnaire. Thirdly, while the findings show some level of adoption of best practices in human resources management; this is a Management point of view since the respondents were human resources managers. A similar questionnaire targeted at all levels of staff might give different findings.

5.5 Suggestions for further study

These findings therefore offer an opportunity for further research to determine whether there is a possible relationship between factors such as a hotel's star rating, size and adoption of the various practices. These findings also make a good case for further research, specifically in the relationship between the adoption of best practices in human resources management with hotel performance. A positive correlation from such a research will encourage more hotels to investing in human resources management practices that contribute to a high standard of service in the hotel industry. Another area of research could be the role of the human resources managers in the adoption of best practices.

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Appendix 1. Letter of Introduction

University of Nairobi

School of business
P.O. Box 30197
Nairobi. Kenya

Telephone *254 -2-318262
Telegrams: -Vanity". Nairobi
Telex: 22095 Varsity

Dear Sir/ Madam.

The bearer of this letter

Registration Number: _____ Telephone

Is a Masters of Business administration (MBA) student at the University of Nairobi

The student is required to submit, as part of the course work assessment, a research project report on a given management problem. We would like students to do their projects on real problems affecting firms in Kenya today

We would therefore appreciate if you could assist the student collect data in your organization to this end. The results of the report will be used solely for the purpose of the research and in no way will your organization be implicated in the research findings. A copy of the final report can be availed to you organization on request.

Thank you.

The MBA Co-ordinator.

Appendix 2: Questionnaire

PART A: HOTEL INFORMATION

Hotel name _____ . Years of operation: _____
 Star rating _____ . Total no. of rooms _____

Ownership:

- Locally owned ()
- Foreign owned ()
- Locally/ foreign owned ()

1. Staff Turnover

- a. Total no. of employees
- b. Number of permanent employees
- c. Number of contract employees
- d. No. of permanent employees below 1 year of service
- e. No. of permanent employees between 1 and 5 years
- f. No. of permanent employees between 5 and 10 years
- g. No. of permanent employees Over 10 years

PART B: HUMAN RESOURCES MANAGEMENT BEST PRACTICES

1. Does your hotel have clear guidelines on the recruitment and selection of staff
 { } Yes () No { } I don't know

To what extent does your hotel utilize the following recruitment sources? (Tick appropriately)

Sources of employee recruitment

a
*

- (i) Internal (Recruitment among existing employees)
- (ii) Employee referrals
- (iii) Applications on file
- (iv) Database of former student interns
- (v) Professional associations (KAHC, SKAL)
- (vi) Newspaper advertisements

3. To what extent does your hotel provide the following information in job advertisements?
(Tick appropriately)

Key information in job advertisement

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 s 3

- (i) Key purpose of the position
- (ii) Key result areas
- (iii) Critical job objectives
- (iv) Location of the post
- (v) Reporting lines.
- (vi) Required competencies
- (vii) Minimum academic qualifications
- (viii) Minimum professional qualifications
- (ix) Person profile of ideal candidate
- (x) Key values of the organization
- (xi) The vision of the organization

4. To what extent does your hotel evaluate the following aspects during the selection process? (Tick appropriately)

Aspects during employee selection

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- (vu) Psychometric personality tests
 - Personality characteristics ()
 - Courtesy ()
 - Tact ()
 - Prceptiveness ()
 - Good communication skill- ()
- (viii) Deliberate use of realistic job p n w j ()
- (ix) Knowledge rests ()
- (x) Requesting contacts for the referees ()
- (xi) Following up on referees ()
- (ui) Senior Management involvement ()
- (xtU) Multi-level/stage interviews ()
- (xiv) Trainability as a factortn recruitment ()
- (xv) Recruitment consultant! involvement ()

5. What is the average length (in weeks) of the recruitment and selection process? (Tick appropriately)

Less than 2 weeks () (xvi) Between 4 - 6 weeks ()
 Between 2 - 4 weeks () (xvii) Above 6 weeks ()

6. To what extent does your hotel engage in the following training & Development activities? (Tick appropriately)

Training and development activities

- (i) Most recruitment is done at entry level
- (ii) Provide opportunities for growth and development to employees
- (iii) Management development is linked to individual recruits needs
- (iv) Management development in linked to organizational needs
- (v) Staff at all levels are encouraged to multi-skill
- (vi) Vacant managerial positions are exclusively filled from within
- (vii) On the job training
- (viii) Career Planning
- (ix) Job rotation
- (x) Business strategy
- (xi) Staff are involv-t-d in quality circles /quality improvement tram*
- (xii) Staff empowered to make certain decisions without reference to supervisors
- (xiii) Kadar to tap into self sponsored individual training

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 J f S j r ^ - S s J 5 3 s > , <
 J ® = S 2 * 8 J 8 j f 5

7. To what extent does your hotel engage in the following performance management activities' (Tick appropriately)

Performance management activities	^ 3> 8	^ & rl - S	i & z 5	> & q * " 5	U 8
(i) Mission statement communicated to all staff during induction					
(ii) Mission statement reinforced in the organization throughout					
(iii) Systematic performance appraisals	()	()	()	()	()
(iv) The appraisal process is participative	()	()	()	()	()
(v) The appraisal process is transparent	()	()	()	()	()
(vi) Career progress based on performance appraisal					
(vii) Management by objectives	()	()	()	()	()
(viti) Regular communication about business plans to all staff members					
(ix) Regular communication about progress in achieving organizational objectives					

8. To what extent do you agree with the following statements? (Tick appropriately)

Performance management	~ C •= ?	g <?	a vs J «J	J	? * — J
(x) Clear focus on the performance of all staff management and links between this and reward packages	())	()	()	()
(XI) Performance expectations expressed in terms of SMART	()	<)	()	(>	()
(Xli) Adoption of performance related pay	()	()	()	()	()
(xii.) The use of formal and ongoing reviews of progress to identify training and development needs	()	()	()	()	()

To what extent do your remuneration practices follow any of the procedures below? (Tick appropriately)

Remuneration practices

5
a
| si m
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- (i) Fair pay practices based on ability or performance
- (ii) Merit a factor in the pay of staff at all levels
- (iii) Wide variety of reward*
- (iv) Rewards are tied to competency
- (v) Regular conduct of salary surveys to ensure market competitive packages
- (vi) Use of multi-company or group based incentive plans

To what extent do you agree with the following statements concerning the management of staff in your hotel? (Tick appropriately)

Employee relations

i i
~ « < | . 1 | -
| b •*1

- (i) Leadership style is people oriented
- (ii) Leadership style is production oriented
- (iii) Management practices are fair and just
- (iv) Management practices open door policy
- (v) Employees are treated with respect and fairness at all times,
- (vi) Managers maintain high professional and ethical standards
- (vii) Every employee being formally disciplined has opportunity to state his or her case
- (viii) Any employee who feels a sense of injustice as a result of disciplinary action taken has the right to an appeal without fear of discrimination.
- (ix) Supervisors and Managers are able to separate their work from the sanctions of the disciplinary process.

- | | | | | | | |
|------|-------------------------------------------------------------|-----|-----|-----|-----|-----|
| (x) | AU employees have a forum where they openly air their views | () | () | () | () | <) |
| (xi) | There are regular teams building/bonding events | () | () | () | (> | () |

PART C: (RJTICAI. SUCCESS FACTORS IN ADOPTION OF BEST PRACTICES IN HRM

II. To what extent do you think the following factors have facilitated the adoption of HR best practices in your organization? (Tick appropriately)

Success factor	S	J	90	III	I	I	I	I
(i) National/industry norm								
(u) Organization's innovation								
(iii) Management respect for staff								
(iv) Team work orientation								
(v) Size of hotel network								
(vi) Geographic coverage of hotel network								
(vu) Organization's focus on external training								
(viii) Individual staff training efforts								
(ix) Employee exchange programmes within the organizations network								
(x) Nationality of general manager								
(xi) Top management team composition								

12. Any other comment / contribution

– Thank you for your time and contribution –

Appendix 3: Hotels/ resorts listing

no.	Hulrl'rcMM
1.	APcrdare Country Club
J	African* Sea Lodge.
y	Amhawadeur Motel.
4.	Amboteli Lodge
J	Amboxli Serena
6	-\mbovli Sopa Lodge
	Bambun Beach Hotel.
«•	IUteleur Camp
U	Boulevard Motel
to.	Club Sun and Sand
II.	Diani Reef Grand Hotel
12.	Fairmount Hotel
IJ.	Fun tern Hotel
14	Fig Tree Camp
15	Finch Hantms Camp
16	Governors Camp
IT	Grand Regency
IS	Great Rift Valley Lodge
19	Hemingways Resort
20.	Hilton Hotel
Ei.	Holiday Inn
22-	Hotel I-amoda
	House or Wame
I25+	Imperial Hotel
25	Indian Ocean Beach Club
k	Indiana Beach Hotel
27	Intercontinental Hotel
f28	Jacmnda Hotel
}}•	Jadini Beach Hotel
bo.	Karen Blixen Camp
si.	Kcekorok Lodge
32.	Kjcfywa rembo Camp
by	Kilaguni Serena Lodge
p4.	KiwayM Salon Village.
35.	L Naivajha Country Club
b t	1 ake F.lemenuiu Lodge
F	Lake Naivasha Simba
	Lake Naivasha Sopa
? ⁹	Lake Nakuru lodge
-0.	I anens Tented (.amp
k	Insure 1odge.
k	Leopard Beach Hotel.
	Loisaba Lodge
r	Mara Solan Club
45.	.Mara Serena Lodge
k	Marble Arch Hotel

no.	Hotel'retort
47	Mnarani Club,
JS	Mombasa Beach Hotel
49.	Mombasa Serena Hotel.
ko	Mount Kenya Solan Club
,51	Mountain Lodge
jjv.	Nairobi Safari Club.
k	Nairobi Serena Hotel.
154.	Neptune (tENCH Reson
55.	Ngulia Salon Lodge
p6i	Nyali Beach Hotel.
p7.	Ol Tukai lodge
58	fanafnc Hotel
P⁹	I'onan Hotel
60	Peponi Hoed.
61	Red Court Hotel
62.	Royal Mara Safari lodge
63	Safari Beach Hotel.
64	Safin l'ark Hotel
6S	Salt Lick Game Lodge
M.	Samburu Intreoids Club
k	Sambuni Serena Lodge
ffjt	Sorota Lion Hill Lodge
w.	Severin S«a Lodge
fro.	Shimtxj Hills Lodge
k	Siana Spnngt
k	Silver Springs Hotel
k	Sixeighty Hotel
k	Sunset
k	Sweetwaters Camp
76.	Taia Mills Game Lodge
	the Ark
k	The Outspan Golf Club
k	The Stanley Hotel
k	Tortilis Camp
f -	Traveller* Beach Hotel
	Traveller* Mv»alu Camp
53.	Treetopa Lodge
>u	Tsavn Sa&n Camp
85	Turtle Bay Beach Club
XA.	Ltaiii Hotel
B7	Voyager Beach Resort
a.x	Voyager Safari Camp
j89	Whitewuls Bench Hotel
	Windsor Golf A Country Club

Source:

Imp N««,lu*M>A^»ki air iinni.in .i>l n.m.it> K<'-« '>KI
IMHII,

