

**EFFECT OF STRATEGIC HUMAN RESOURCE MANAGEMENT ON
TOURISM PRODUCT QUALITY AMONG HOTELS IN THE NORTH RIFT
REGION, KENYA**

BY

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DECLARATION

DECLARATION BY THE CANDIDATE

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DEDICATION

This thesis is dedicated to my beloved wife, Lilian and my daughter, Brendah.

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ABSTRACT

Strategic human resource management is an essential determinant of the tourism product quality in tourism businesses and destinations. Although there have been efforts by both the public and private sector to promote the development of domestic tourism in various parts of the world, the tourism product quality has been relatively low compared to the changing customer needs, wants, and preferences. This has been greatly attributed to lack of clear human policies by most tourism organizations, which exposes them to challenges in recruiting, developing and maintaining a committed, competent, well-managed and well-motivated workforce (Luiz, 2000). This has led to frequent complaints from the guests as well as the employees in the tourism businesses, particularly in the hotels. This study sought to establish the effect of recruitment and selection, employee training and development, employee motivation and remuneration on tourism product quality. This research study was carried out using explanatory research design. It targeted a total of 209 hotels and sampled 138 hotels. The study used simple random sampling technique to select the sampled hotels. Data was collected from hotel managers of the sampled hotels with a closed-ended questionnaire. Data was analyzed using descriptive and inferential statistics. Frequency distribution was used as descriptive statistics for all variables because they were categorical variables. Multiple regression analysis was used as inferential statistics to establish effect of recruitment and selection, employee training and development, employee motivation and remuneration on tourism product quality. The findings showed that strategic human resource management was given low consideration by tourism industry, unlike other industries, though tourism product quality was reported to be high. The four components of strategic human resource management under investigation were rated low by the hotel managers. The findings further showed that recruitment and selection ($p=0.152$), training and development ($p=0.741$), and employee remuneration ($p=0.068$) had no significant effects on tourism product quality. Only employee motivation ($p=0.004$) had significant effect on tourism product quality. This shows that tourism industry puts more emphasis on employee motivation as the main determinant of product quality. The study findings have shown that strategic human resource management has not been fully adopted by the tourism industry. The study therefore recommends: The National and County Governments to formulate policies that direct full adoption of Strategic Human Resource Management in the tourism industry and to organize regular county sensitization forums for the purpose of sharing with tourism stakeholders. Management of hotels should allocate adequate resources to employee motivation, recruitment and selection, training and development, and employee remuneration.

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ABBREVIATIONS

EM	- Employee Motivation
ER	-Employee Remuneration
HR	- Human Resource
HRA	-Hotel and Restaurants Act
HRP	-Human Resource Planning
PR	-Public Relations
RBT	-Resource Based Theory
RBV	-Resource Based View
RS	- Recruitment and Selection
SHRM	-Strategic Human Resource Management
TD	-Training and Development
TRA	-Tourism Regulatory Authority
TPQ	-Tourism Product Quality

OPERATIONAL DEFINITION OF TERMS

Assurance: This refers to the employees' knowledge and courtesy and their ability to inspire trust and confidence.

Empathy: This refers to caring, individualized attention given to customers.

Hotel: Premises on which accommodation is supplied or available for supply, with or without food or service (HRA Act Cap.494 laws of Kenya).

Operating staff: Employees who perform non-managerial jobs in the hotels (Gronroos, 2000)

Recruitment and Selection: Range of activities such as provision of Curriculum Vitae, identifying recruitment media, advertisement design and media placement for job vacancies, candidates response handling, short listing, conducting aptitude testing, preliminary interviews, qualification verification, and picking of the best persons for the job (Zeithaml and Bitner, 2003).

Reliability: this is the ability to perform the promised service dependably and accurately.

Remuneration: All forms of financial returns and tangible services and benefits which employees receive as part of an employment relationship (Milkovich and Newman, 2005).

Responsiveness: This is the willingness to help customers and provide prompt service.

Strategic Human Resource Management: Involves the development of a consistent, aligned collection of practices, strategies and policies to facilitate the achievement of the organization's strategic objectives (Mello, 2002).

Tangibles: This refers to appearance of physical facilities, equipment, personnel, and written materials.

Tourism Product Quality: Is the extent to which products, services, processes, and relationships are free from defects, constraints, and items which do not add value for customers (Zeithaml and Bitner, 2000).

Tourism product: Experience, interaction or enjoyment experienced by tourists (Normann, 2000).

Tourism: Any travel for recreational, leisure or business purposes for a duration of more than 24 hours but less than one year at the destination visited (Stephen, 2009).

Training and Development: Is a planned effort to facilitate the learning of job-related Knowledge, skill, and behaviour by an employee (Noe *et al.*, 2006).

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents brief background on tourism industry in Kenya, tourism product quality, and the adoption of strategic human resource management by the tourism industry in Kenya.

1.1.0 Background of the Study

In mid 1960s the Kenyan government adapted a national policy framework which encouraged direct government involvement in various development activities that included tourism in the management of the economy and resources. With the increasing appreciation of the important role that tourism played in the economy, the Kenyan government came up with a strategy to train professionally qualified locals to run the industry(Kenya Utalii College, 2012). This culminated in the collaboration of the Kenyan Government with the Swiss Agency for Development and Cooperation to set up Kenya Utalii College. With the increase in the growth of the industry, the demand for trained manpower increased which led to the establishment of Mombasa and Kisumu branches of Kenya Utalii College. The remaining gap continue to be filled through tourism and hospitality courses at some Kenyan Universities. Tourism training and education has gained appreciation as evidenced by the range and diversity of training programmes available at various levels, especially in regions where tourism has become a major socio-economic phenomenon(Mayaka, M. and Akama, J.S, 2007).

1.1.1 Tourism Product Quality

The key strategy for customer focused firms is to measure and monitor customer satisfaction and service quality, since quality is considered to be one of the keys to success of the firm (Gronroos, 2000; Zeithaml and Bitner, 2000). The competitive advantage of a firm is said to be dependent on the quality and value of its goods and services. Gronroos (2000) notes that while many firms always expect their employees to be customer-oriented, attractive, empathetic and demonstrate competency in their work, the same employees are denied the opportunity to acquire the knowledge and skills. The endeavour by the tourism industry in Kenya to offer high quality product to the tourists has not been fully realized, owing to the fact that many people engaged in tourism exhibit lack of skills and understanding of tourism especially on market conditions and information on small business management skills and quality control (Kareithi, 2003). Tourism industry is quite often dominated by entrepreneurs, many of whom do not possess any formal training or have complete lack of appreciation of tourism education and underlying theories, framework and concepts that should guide tourism a major socio-economic phenomenon(Mayaka, M. and Akama, J.S, 2007). Job dissatisfactions, unfavourable working conditions, long working hours with minimal pays and employee training programs are common in the tourism industry in Kenya, which lead to poor quality of the tourism product delivered(Kuria, S. *et al*, 2012).

1.1.2 Strategic Human Resource Management

Organizations today have increasingly become aware of the importance of strategic human resource management, since it is the employees' skills and commitment that create competitive advantage for an organization(Mukulu, E *et al.*, 2012).

Gooderham *et al* (2008) argue that the use of SHRM is positively related to both financial and operational performance, and that human resources of the firm are potentially a powerful source of sustainable competitive advantage. Studies have shown that Singapore, a country that received 9 million tourists the highest in the world in 2010 has invested significantly in continuous professional development to ensure high quality staff who have relevant up-to-date skills and knowledge(IGAD Master Plan, 2013-2023).

1.2 Statement of the Problem

Although the Kenyan Government and the private sector has recognized the need for professional and well-trained workforce in the provision of quality service, this has not yet translated into high quality tourism product since there appears to be minimal advanced career opportunity and employment for people with the right tourism skills and professional competencies especially at supervisory and managerial level(Akama, J.S, and Mayaka, M., 2007). Tourism industry in Kenya has been leading with many employees changing jobs from time to time, which affects the growth, profitability and customer satisfaction in the affected establishments. Many employers have the tendency to see the process of staff leaving and being replaced as natural and inevitable feature of the industry(Kuria, S., *et al*, 2012). Efforts to improve the overall quality of the tourism product offered by Kenya's tourism industry and bring into par with other international competing destinations such as Singapore and South Africa have not succeeded due to inadequate skills and knowledge among many of the employees working in the industry (Kareithi, S., 2003). Previous study on strategic human resource management in the tourism industry by Akama and Mayaka (2007) have concentrated on academic training, setting up of colleges and improvement of the curriculum for tourism and hospitality

courses, recommending for funding of tourism training institutions and updating of curriculum. A study by Kuria *et al.* (2012) focused more on employees motivation in the tourism industry, recommending for compensation of the employees with the highest possible wages and improvement of working conditions for the employees.

This study sought to establish the extent to which tourism industry in Kenya has embraced strategic human resource management and its effect on tourism product quality by focussing on hotels in North Rift region of Kenya.

1.3.0 Study objectives

1.3.1 General objectives

To establish the effect of strategic human resource management on tourism product quality.

1.3.2 Specific objectives

- i. To establish the effect of recruitment and selection strategy on tourism product quality.
- ii. To determine the effect of employee training and development strategy on tourism product quality.
- iii. To establish the relationship between employee motivation strategy on tourism product quality.
- iv. To establish the effect of employee remuneration strategy on tourism product quality.

1.4 Research Hypotheses

- i. H_{01} : There is no significant effect of recruitment and selection strategy on tourism product quality.

- ii. Ho₂: There is no significant effect of employee training and development strategy on tourism product quality.
- iii. Ho₃: There is no significant relationship between employee motivation strategy on tourism product quality.
- iv. Ho₄: There is no significant effect of employee remuneration strategy on tourism product quality

1.5 Significance of the Study

The study was intended to establish the need and importance of strategic human resource management in the tourism industry. The study findings were expected to improve product quality in the tourism industry since the managers will strive towards adopting strategic human resource management practices. The policy makers such as the national and county governments will use the study findings to develop and spearhead the implementation of the necessary policies on strategic human resource management in the tourism industry. The overall effect will be enhanced tourism product quality which will make North Rift region a preferred destination for more tourists.

1.6 The Scope of the Study

This study was concerned with strategic human resource management in the tourism industry. The study narrowed down to four aspects of strategic human resource management. It aimed at investigating the current situation in the implementation of strategic human resource management among hotels in the North Rift region of Kenya. It was conducted in Uasin Gishu, Elgeyo Marakwet, Baringo and Trans-Nzoia counties between October, 2012 and December, 2012.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter covers the review of the past publications which include; textbooks, journals, reports, catalogues and other published and unpublished materials.

2.1 Theoretical Framework

This study was based on the Resource-Based Theory of strategic human resource management that was advanced by Boselie and Brewster (2013). The theory states that it is the range of resources in an organization, including its human resource that produces its unique character and creates competitive advantage. The theory holds that creating a sustained competitive advantage depends on the unique resources and capabilities that a firm brings to competition in its environment. These resources include all the experience, knowledge, judgment, risk-taking propensity and wisdom of individuals associated with a firm. A number of strategy researchers have begun to address the relationship between firm's human capital and its performance (Hitt *et al.*, 2001).

The RBT emphasizes the need to develop strategic capability, that is, the strategic fit between resources and opportunities, obtaining added value from the effective deployment of resources and developing people who can think and plan strategically through adequate understanding of the key strategic issues, and ensuring that what they do support the achievement of the business's strategic goals. Majority of work in SHRM (Paauwe and Boselie, 2002; Barney, 1991; Delaney, 1996) has adopted the resource-based view (RBV) perspective, which emphasizes the gaining of competitive advantage by means of utilization of the resources of the organization through the

employees. The RBV emphasizes on inside-out approach as compared to outside-in approach in strategic management (Wright *et al.*, 2001). It is specifically applied to the field of HRM because it is people that encompass the properties assumptions of value, rareness, inimitability, and non-substitution, which are the necessary conditions for organizational success (Barney, 1991).

The strategic goals that emerge from RBT lead to creation of firms that are more intelligent and flexible than their competitors by hiring and developing talented staff and extending their skills base. According to this theory, managers seek to gain a competitive advantage through their well-trained workforce, flexible and responsive to customer demands. Sustaining a competitive advantage requires a unique set of competencies that are created through a combination of rare and inimitable skills and knowledge, with organizational systems and distinctive organizational routines.

The speed of response to the customers, the brand image, the quality of the product or service and the relationship marketing approach are the constituent parts of the competitive strategy into which competency, recruitment and development, motivation, retention, innovation and problem-solving are embedded. Strategic human resource management helps the organization in learning how to dance, to improvise twist, and do whatever is necessary to deliver product or services as required and change their structures and products if necessary.

Research studies that have used RBV theory tended to neglect the importance of contextual factors, including the organizational setting, an issue that is crucial from HRM point of view. Field *et al.* (2000) argues that contextual variables, particularly national culture, have an influence on choice of HRM strategies. Universal generalization of findings from such research has been questioned (Singh, 2003;

Budhwar and Katou, 2009). Most of the past studies have been biased towards Multinational Companies by arguing that such companies are better placed to use the SHRM in their management than local firms. A review of the existing literature shows that majority of management studies on SHRM are based on research carried out in the US, Europe, and Asian countries (Singh, 2003).

2.2 Recruitment and Selection

Recruitment involves a range of activities such as provision of Curriculum Vitae (CV) or resumes, identifying recruitment media, advertisement design and media placement for job vacancies, candidate response handling, short listing, conducting aptitude testing, preliminary interviews or reference and qualification verification. Recruitment activities need to be responsive to the increasingly competitive market to secure suitably qualified and capable employees at all levels. Firms need to determine how and when to source the best employees, internally and externally. It is increasingly recognized that managers in the contemporary organizations should engage in selective hiring, that is, they should pick the best persons for the job.

According to Luiz (2000) most tourism organizations do not have clear human resource policies, and this exposes them to numerous challenges in recruiting, developing and maintaining a committed, competent, well-managed and well-motivated workforce which is focused on offering a high quality product to the increasingly demanding customers. Zeithaml and Bitner (2003) argue that in order to build a customer-oriented, service-minded workforce, an organization must hire the right people, develop people to deliver service quality, provide the needed support system and re-train the best people. The greatest challenge facing the hiring process in most tourism firms is the seemingly outdated collectivist society approach where first preference is given in hiring relatives of the manager and other employees. The

erroneous interpretation (Hofstede, 1980) that hiring of people from a family known by the workers increases motivation and reduces employee turnover problems, turns out to be counterproductive as it compromises product quality and customer satisfaction. As the business environment becomes more competitive, firms' human resources become more important to firms' success. The studies by Luiz (2000) and Zeithaml and Bitner (2003), though providing insight in human resource, they tend to give a generalist view of what needs to be done.

2.3 Training and Development

Training refers to a planned effort to facilitate the learning of job-related knowledge, skill, and behaviour by an employee. Training has been recognized as an important factor for productivity by most firms across sectors (Tan and Batra, 1995). There is a growing recognition that skills and core competencies are required. Firms are realizing that success does not depend primarily on the size of the budget or the products supporting technologies, but more on employees' attitudes, competencies and skills.

It has been noted that the major problem in Africa is the inadequate skills amongst the employees in the tourism industry (Moutinho, 2000). Unlike finance which can be borrowed, human resource development is a continuous process and its direction and focus should be related to the needs of the tourism industry in particular. Continuous manpower development is essential in ensuring continuous supply of quality human resources who will be in a better position to meet the overwhelming industry requirements. Increasingly, it is recognized that competitive advantage is gained through well-educated and trained, motivated and committed employees at all levels. The challenges facing the tourism industry will only be met successfully by a well-educated, well-trained, bright, energetic, multi-lingual and entrepreneurial workforce

who understand the nature of tourism and have a professional training (Stephen, 2009).

Notable deficiencies have been recognized in the areas of education and training, technology adoption and application, marketing, branding and market research (Moutinho, 2000). Efficiency will never be realized without well-trained and capable human resources in the tourism industry since it has become increasingly necessary for the industry to be manned by educated and trained people who will be dedicated to providing quality services for enjoyment by citizens and visitors.

Training has been identified as one of the key methods that managers should employ to improve hospitality products and services. According to Mayer (2008) high performance organizations develop an extensive array of employee training and management development programs to strengthen the competencies of its human resources. Mayer argues that all organizations that aim at competing in the dynamic market should provide appropriate education, training, awareness and capacity building programmes to their employees in order to enable them to deliver quality service to the clients.

Training has been found to be the only means by which a firm can create a pool of unique human capital that is difficult to replicate and hard to substitute for. It is argued that firms can use technical human resource management activities to select high-quality employees whose talent is rare by definition, and train employees to equip them with the unique skills. Implementation of high quality training programs has been found to have a direct relationship with morale, perception of superior quality and awareness of rules and commitment. When it comes to building great companies, the most urgent business challenge is finding and keeping great people

(Zeithaml and Bitner, 2003). The best companies have realized that people are the foundation of greatness.

According to Pfeffer (1998), organizations and companies succeed or fail based on the quality and effectiveness of their employees. He further mentions that today's successful firms have recognized that competition in the global markets requires world class human resource managers who are active participants in strategic and operational decisions. Dunford *et al.* (2001) argue that the employees' knowledge and skills directly affect the quality and performance of the human resource system, since a more knowledgeable and skillful employees will have competencies to understand and enact a variety of human resources practices. Possession of high level of knowledge and skills by the employees will enhance both horizontal and vertical fit. Dunford *et al.* further state that if the knowledge and skills of the employees are limited, it is likely that their behavior and performance will be adversely affected and the acceptance and utilization of human resource practices will be impeded.

Tan and Batra (1995) regard training as an important factor for productivity. According to Van de Ven (1986) adequate knowledge among the employees helps organizations in identifying and exploiting opportunities in coming up with new products, services or work practices. Van de Ven (1986) asserts that continuous access and exposure to diverse knowledge enlightens organizations about new ways by which existing and emerging problems can be solved. The hallmarks of human capital are creative, bright, knowledgeable and skilled employees with expertise in their roles and functions, and who constitute the predominant source of ideas and knowledge in an organization.

The emerging reality in the contemporary tourism business world is that nothing lasts forever, and thus tourism businesses should have competent employees with the ability to understand and respond to the changes appropriately. For the employees to be proactive and dynamic, organizations require continuous training input to sustain the operations. According to Zeithaml and Bitner (2003) employees need ongoing training in the necessary technical skills, knowledge and process or interactive skills. Successful companies have been found to invest heavily in training, and do make sure that the training fits their business goals and strategies.

Intellect and knowledge are the fuel of global competitiveness and growth (Barney, 1995) and thus tourism-based organizations ought to invest more in developing, nurturing, sustaining, and cultivating this knowledge. To be able to fit in the modern dynamic business environment, tourism businesses should generate organizational capability by ensuring that the organizations have the skilled, engaged, committed and well-motivated employees who are able to achieve a sustainable competitive advantage, particularly in terms of superior product or service. Just like other organizations that are essentially involved in the business of selling ideas and relationships, knowledge is undoubtedly a direct competitive advantage.

According to Pfeffer (1998) and Guest (1999) organizations should strive to continuously undertake training to provide a skilled and motivated workforce. Organizations that aim at competing effectively in the market should always provide opportunities for the employees to learn, grow and build their career (Armsrong, 2007). Successful managers are realizing that training improves planning, internal and external communication, increased customer satisfaction and efficiency. Proper determination of training needs will go a long way in assisting organizations to plan for training programmes that take into consideration the quality and quantity of skills

required. Successful organizations are always committed to continuous development of the skills and abilities of employees in order to maximize their contribution, as well as giving them the opportunity to enhance their skills.

Bart *et al.* (2003) argue that competence and empowerment form the core of the human side of service capability. Bart maintains that a strong training and mentoring program helps a new employee to understand company policies and any current or ongoing projects they will be working on, and eventually this continuous training satisfies the organization's long-term needs, individual's career goals and employees' value to their present and future employers.

2.4 Employee Motivation

Ideally, motivation enables employees to change their skills into behaviour. Through motivation, employees sense, think and feel, and these processes lead them to choose whether or not, or how much to contribute. Mayer (2008) argues that the key to competitiveness is quality, which depends more on the commitment of individuals than on their acquired technical skills. Improved quality and productivity that is related to motivation can be achieved through training, employee involvement and extrinsic and intrinsic rewards. If employees feel valued and their needs are taken care of, they are more likely to stay with the organization (Zeithaml and Bitner, 2003). If a company wants the strongest service performers to stay with the company, it must reward and promote them.

Whereas most organizations recognize the importance of employees motivation, the reality in most tourism establishments is different, since employees usually experience and express dissatisfaction, demotivation and frustrations. These feelings are transmitted to the customers during service interactions and thus affect the quality

of the service delivered. According to Bart *et al.* (2003) companies usually look for people who are willing to work for wages marginally above the statutory minimum levels, which consequently leads to demotivation and high staff turnover. Zeithaml and Bitner (2003) point out that even those service workers who are intrinsically motivated to deliver high service quality will become discouraged at some point and start looking elsewhere if their efforts are not recognized and rewarded.

Management in most cases seems not to care since there is the feeling that there is a pool of unemployed people out there who can easily be got as new employees, an idea which may seem to be worth in the short-term but whose effects in the long-run are disastrous since it translates into poor perceptions of service quality by the customers, high levels of dissatisfactions, and lower sales and profit margins (Mayer, 2008). The feeling of employment insecurity by the employees adversely affects human resource performance and promotes high employee turnover.

It has been argued that human resource management should be tied into a company's business strategy since committed personnel make a substantial difference in an era of increasing stiff global competition. Moutinho (2000) cites a number of real challenges that organizations in tourism industry face such as recruitment, developing and maintaining a committed, competent, well-managed and well-motivated workforce which is focused on offering a high quality product to the increasingly demanding and discerning customers. Moutinho (2000) states that while in some subsector areas tourism provides an attractive, high status working environment with competitive pay and conditions, the situation is contrary in other subsector areas where there are common cases of poor working conditions, low pay, high staff turnover, problems in recruiting skills, high level of labour drawn from socially disadvantaged groups and virtual absence of professionalism.

Moutinho (2000) also cites low pay as the primary reason for people leaving the employers in the tourism industry, which consequently has a range of attendant costs to the organizations such as lost productivity, loss of customer service skills, extra time taken to train and inculcate members of staff to organizational culture and the possible loss of repeat business since regular customers like to see familiar faces.

Pfeffer (1998) states that organizations should develop suitable job designs to ensure flexibility, commitment and motivation, including steps to ensure that employees have the responsibility and autonomy fully to use their knowledge and skills. He emphasizes on the need for organizations to adopt high-commitment management that aims at eliciting commitment from the employees rather than that controlled by sanctions and pressure external to the individuals as a way of enhancing trust in organizations.

According to Armstrong (2009) organizations should invest in the skills and abilities of the employees, involve the employees in decision-making and provide incentives to motivate workers to use their discretionary effort so as to gain sustained competitive advantage. Armstrong argues that organizations should create an environment that increases employees' satisfaction from their work by reducing monotony, increasing variety, autonomy and responsibility and avoiding placing people under too much stress.

Inspirational leadership, regular and constructive feedback, inclusive team environment and opportunity to contribute have been identified as the top motivators for most employees. Service organizations are increasingly realizing the benefits of empowerment in the areas of employee satisfaction, better quality of customer

interaction and higher levels of commitment that results in employees' involvement, quality improvement and innovation.

Normann (2000) argues that employees can be motivated by giving them the freedom to be personally in control of their knowledge and skills development, and treating them as autonomous individuals in a mutually beneficial partnership. Furthermore, autonomy motivates people and makes them willing to take initiatives and make decisions since they have the power and energy. Service organizations should cultivate a culture of motivating and involving the staff in business and communicating with them.

According to Bart *et al.* (2003) dissatisfied, demotivated and frustrated employees bring their feelings with them when interacting with the customers and these feelings are transmitted during interactions. To achieve high levels of service quality and customer satisfaction, consideration should be given to employees' satisfaction.

2.5 Employee Remuneration

The concept of remuneration refers to all forms of financial returns and tangible services and benefits which employees receive as part of an employment relationship (Milkovich and Newman, 2008). It is the total compensation that an employee receives in exchange for the service he/she performs for his/her employer. It consists of monetary rewards, either in form of salary or wage. Remuneration is the key to draw and attract employees towards in an organization or profession.

Theories of remuneration:

2.5.1 Reinforcement Theory

This theory states that behaviour is a function of the consequence. According to this theory, performance based payment must follow closely behind performance. Rewards must be tightly coupled to desired performance objectives. Based on this theory, withholding payments may be a way to discourage unwanted behaviours. Timing of payments is very important.

2.5.2 Equity Theory

This theory was developed in 1963 by John Stacey Adams, a workplace and behavioural psychologist. Adams asserted that employees seek to maintain equity between the inputs that they bring to a job and the outcomes that they receive from it against the perceived inputs and outcomes of others. This theory states that individuals compare their job inputs and outcomes with those of others and then respond to eliminate any inequity. Anger is induced by underpayment inequity and guilt is induced with overpayment inequity (Adams, 1965). Employees usually compare what they put in their job in terms of time, effort, ability, loyalty, tolerance, flexibility, integrity, commitment, reliability, hearts and soul and personal sacrifice with what they get from their job in terms of pay, bonus, perks, benefits, security, recognition, interest, development, reputation, praises, responsibility and enjoyment against what is offered in the market-place.

The greatest motivation and incentive for any activity is the expectation of reward in the form of sustenance, kickback, board and lodge, recognition, praise or salary (David and Rebecca, 2010). If the expectation of such reward is dimmed, reaction can be wildcat strikes, sabotage and mass action. Employees become demotivated and reduce input and seek change or improvement whenever they feel their inputs are not being fairly rewarded by outputs. Fairness is based on perceived market norms.

Adams (1965) argues that employees are motivated when perceived outputs or pay are equal to perceived inputs or effort, work and behaviours. A disequilibrium in the output to input balance causes discomfort. If the employees perceive that others are paid more for the same effort, they will react negatively to correct the output-to-input balance. Fairness and consistency of performance-based pay across employees in the organization is important, since employees evaluate their pay-effort balance in comparison to other employees and relative pay matters.

2.5.3 Agency Theory

This theory states that both sides of the exchange will seek the most favourable exchange possible and will act opportunistically if given a chance. The agency theory states that the principals must choose a contracting scheme that helps align the interest of the agent with the principal's own interest. According to this theory, pay directs and motivates employee performance and employees prefer static wages to performance-based pay. If performance can be monitored then payment should be according to satisfactory completion of duties. Agency theory holds that performance-based pay is optimal compensation choice for more complex jobs where monitoring employees work is difficult. Performance targets should be tied to organization goals. The limitation of this theory is that it requires higher total pay opportunity. Remuneration, incentives and job satisfaction are all important in creating motivation at work.

This research study adopted equity theory of remuneration since it looks at the input and output side of the employees at work.

Moutinho (2000) laments that the front-line staff, who should be sufficiently well paid, are actually the poorest paid employees of the company. Low levels of

remuneration are seen to play a key role in higher levels of labour turnover since many employees are frequently shifting from one hospitality firm to another. When this happens, there is a range of attendant costs to the concerned firms in terms of low productivity, loss of customer service skills, time taken to train and inculcate new members of staff to organizational culture and the possible loss of repeat business.

The greatest motivators have been found to be inclusive of a sense of achievement, recognition, the work itself, responsibility and personal development. The level of compensation will more often than not determine the level of expertise an employer will attract as well as the employee loyalty or commitment.

2.6 Research Gap

Majority of management studies on strategic human resource management have been found to be based on research carried out in the US, Europe and Asian countries, which does not perfectly fit Kenyan situation. Most reknown researchers(Boselie and Brewster, 2013; Paauwe and Boselie, 2002; Zeithaml and Bitner, 2003; Luiz, 2000; Tan and Batra, 1995; Stephen, 2009; Dunford and Wright, 2001) have given a generalized view on what needs to be done and the significance of human resouces in creating competitive advantage in the industry. David and Rebecca (2010), Adams (1965), and Moutinho (2000) give a generalized view on the importance of employee motivation without giving the status of employee motivation in the tourism industry. Local studies by Kuria *et al.* (2012), Kareithi (2003), Akama and Mayaka (2007) elaborates on the defficiency of skills, minimal advanced career oportunity and employment for people with the right tourism skills and the poor working conditions that characterize the tourism industry without researching further on the causes of deficiency of skills and the reasons behind the poor working conditions in the tourism

industry. This identified called for further study on the effect of strategic human resource management on tourism product quality among hotels in the North Rift Region of Kenya. The study narrowed down to the four independent variables since they are the main aspects of strategic human resource management that affect tourism product quality and can be predictably determined by the management of tourism organizations.

2.7 Conceptual Framework

From the conceptual framework in Figure 2.1, it is suggested that recruitment and selection, training and development, remuneration, and motivation, all affect tourism product quality. Recruitment and selection, which are the initial activities in human resource management, determine the kind of applicants to be attracted to the firm and their performance in the firm. Improved interviewing techniques can help to weed out applicants that may not be a good match for the company.

Training equips the employees with the relevant skills, knowledge and attitudes which are important for successful implementation of organizational strategies. Managerial competencies are important organizational dimensions, which add value to an organization through its determination on the acquisition and arrangement of business resources, process of resource transformation to valuable products or services as well as the delivery process to organizational stakeholders. Employees should be allowed to influence the performance of the human resource function through the interaction of their knowledge and skills with human resource management practices and the strategies implemented in the firm. The capability of the human resources matters most to the effectiveness of the design and implementation of a human resource management system.

Remuneration or employee compensation either in form of salary or wage affects the employees' perception of how they are valued by the firm and eventually affects tourism product quality. Equity in compensation enhances employees' morale, which in turn affects tourism product quality. Motivation in its different forms creates a desire in the employees to use their discretionary effort in delivering services thus affecting tourism product quality.

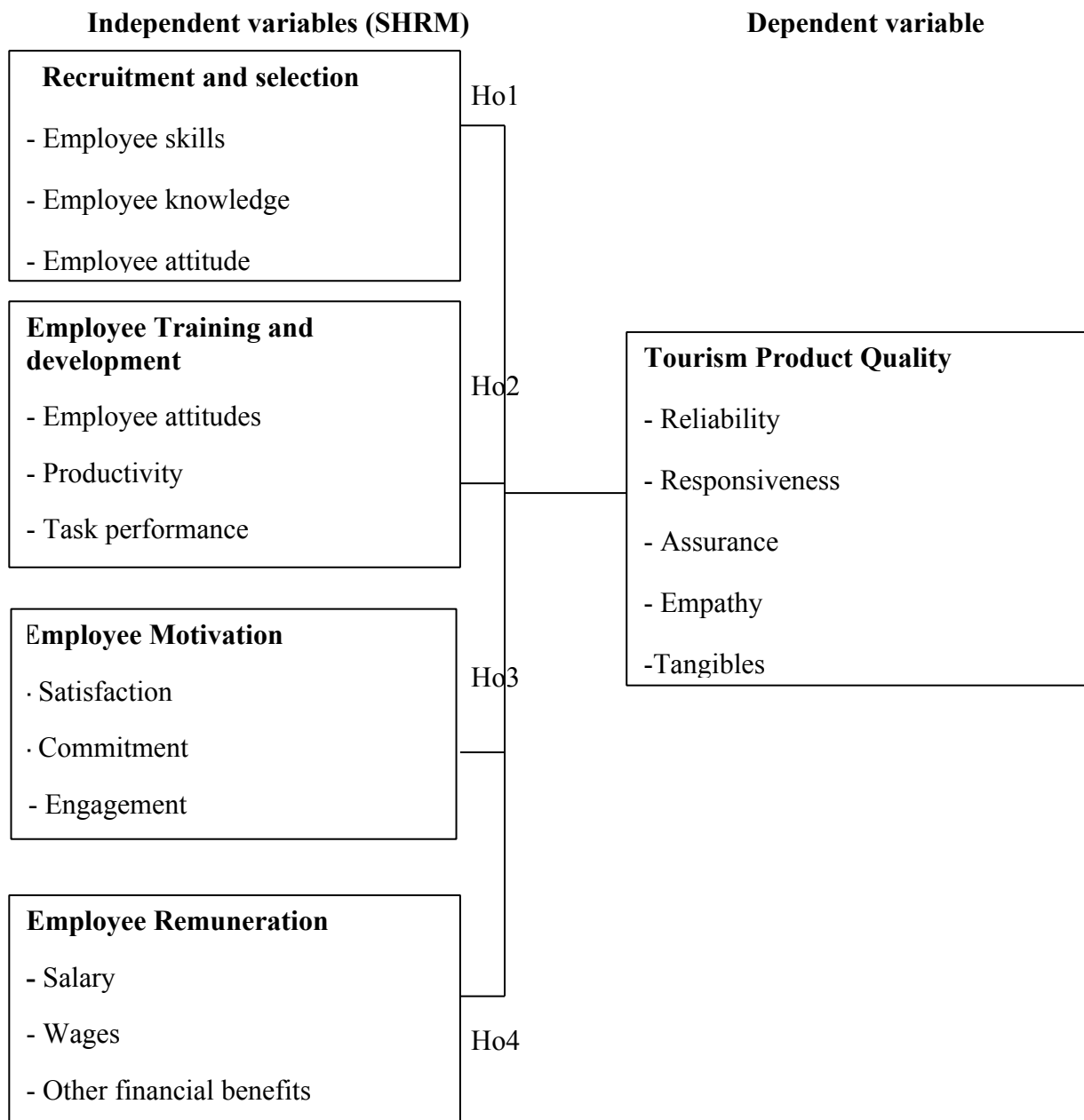


Figure 2. 1. Conceptual framework

Source: Schuler & Jackson (1987), Typology of HRM Practices

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents a detailed description of the research design, the target population, sampling techniques, the sample size, data collection methods, data analysis and presentation, ethical considerations and expected output.

3.1 Research Design

This was an explanatory research design. This kind of research design generates information that answers the question as to which strategic human resource management factors significantly affect the tourism product quality in the tourism industry. The study established cause - effect relationship between strategic human resource management and tourism product quality. This type of research design was appropriate for this study because it goes beyond description of strategic human resource management practices in the tourism industry but attempted to prove whether strategic human resource management significantly affects tourism product quality or not (Cooper & Schindler, 2008). Explanatory research design is appropriate in answering questions as to which Y are caused by X.

3.2 Target Population

The target population refers to the total number of subjects to be investigated in order to draw conclusions. The target population in this study on the effects of strategic human resource management on tourism product quality entailed collecting information from 209 hotels licensed by the Ministry of Tourism in the North Rift region (Ministry of Tourism records, 2012).

Table 3. 1 Target population

Group	Total
Hotels	209

Source: Ministry of Tourism Records, 2012.

3.3 Sampling Techniques

Simple random sampling was used to select the sampled hotels because the population was small and finite. This sampling technique provides an equal opportunity of selection for each element of the population. All the individuals in the defined population have an equal and independent chance of being selected as an individual member of the sample.

The researcher got the list of the hotels in North Rift region from the Ministry of Tourism North Rift Regional office based in Eldoret Town. The researcher numbered the hotels from 1 to 209 on pieces of paper each with a name of the hotel and placed them in a open empty carton. The papers were then thoroughly mixed and then the researcher randomly picked one paper at a time from the box without replacing it until a total of 138 papers were picked from the box. The picked papers were then unfolded and hotels with names appearing on the papers were taken as the sample to whose managers were issued with questionnaires during data collection. This technique was developed by Bowerman, B. L., O'Connell, R.T., Orris, J.B., and Murphree, E.S. (2010).

3.4 Sample Size

The population being finite (209), the sample size was determined by using Yamane 1967 as quoted by Mugenda and Mugenda (2003).

$$n = N / (1 + N (e)^2)$$

Where;

n- is the desired sample size

N – finite population size which is 209

e- level of precision at 0.05

$$= 209 / (1 + 209 * 0.05^2) =$$

$$= 138 \text{ hotels}$$

3.5 Data Collection, Instruments and Procedures

This section presents a detailed description of the type and sources of data, the data collection instruments, the data collection procedure and the techniques that were used in testing the validity and reliability of data collection instruments.

3.5.1 Types of Data

The study collected only primary data. This type of data allows the researcher collect the first hand data from the original source using surveys, interviews and direct observations (Mugenda and Mugenda, 2003). Using the questionnaire, the researcher collected primary data from the hotel managers in the North Rift Region of Kenya.

3.5.2 Data Collection Instruments

The researcher used closed ended questionnaires with likert scale items for all the variables. The questionnaire consisted of 5 likert scale questions. These questions had statements that related to recruitment and selection strategy, employee training and development strategy, motivation strategy, remuneration strategy and tourism product quality. The respondents were supposed to agree or disagree at a level for each statement in the questions. The formulation of the questionnaire was guided by the objectives of the study.

3.5.3 Data Collection Procedure

After getting the introduction letter from Moi University, the researcher did a formal request to the hotels explaining the intent of carrying out a study in their hotels. The researcher proceeded to meet each manager of each of the sampled hotels in their respective locations within the region. The researcher carried out an introduction of the study to managers of the hotels and requested them to participate voluntarily. Each of the sampled hotels was represented by one general manager. The questionnaires were self administered to the managers of the hotels who voluntarily accepted to participate in the study.

3.5.4 Reliability Testing of Instruments

The researcher pre-tested the questionnaire with a sample of 3% of hotel managers (6) before using it in full scale data collection to check for validity and reliability. The researcher administered the questionnaire to managers of the piloted hotels in Uasin Gishu County. The hotels were those not licensed by the Ministry of Tourism. The data from pilot study was coded into SPSS and analyzed to check on validity and reliability.

For reliability of the questionnaire, a reliability coefficient was calculated using SPSS that provides step by step command to generate the Cronbach's Alpha reliability coefficient. Cronbach's Alpha coefficient is commonly used to test internal consistency of a research tool. It models internal consistency based on average correlation among items in a research instrument. Cronbach's Alpha coefficient equals zero (0.0) when the true score is not measured at all and there is only an error component while a coefficient equals 1.0 when all items measure only the true score and there is no error component. Cronbach's Alpha coefficient that is greater than 0.6 justifies that data collection instruments are reliable. A reliability coefficient of 0.927 was generated meaning the questionnaire was reliable.

3.5.5 Validity Testing of Instruments

For validity both pilot study findings and technical guidance from supervisors was used. The pilot study findings informed redesigning of the questionnaire so that the questions addressed the objectives of the study. The supervisors gave technical inputs in formulating questions that adequately generated information of the study. The researcher established the domain indicators of strategic human resource management before designing the data collection instruments.

3.6 Data Analysis and Presentation

Data was analyzed using descriptive and inferential statistics. Descriptive statistics such as frequencies and percentages was used. Descriptive statistics describe and summarizes data thus enabling one to draw conclusions relating to frequencies and percentages of cases in the sample.

Multiple regression analysis was used as an inferential statistics in hypotheses testing to generalize conclusions from the sample to the population. By use of this technique,

decision making rests totally on an analysis of available sampling data. Hypothesis were rejected or failed to be rejected based on the sample data collected.

The following regression model was applied:

$$Y = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + \varepsilon$$

Where:

Y- is the dependent variable (Tourism Product Quality)

B_0 – the constant

$B_1 - 4$ – are the regression coefficients or change induced in Y by each X

X_{1-4} – are the independent variables (Recruitment and selection, Training and development, Motivation, Remuneration)

ε - is the error (that is location of product, experience of the guest, emotional state of the guests)

3.7 Ethical Considerations

The researcher sought for informal consent from the managers. This was done during the data collection. The researcher visited the sampled hotels and did interviews with hotel managers. Before administration of the questionnaires, the researcher explained on the purpose of the study and requested the managers to participate voluntarily. The questionnaires were administered to managers who offered to participate voluntarily.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.0 Introduction

This chapter outlines the results of the study conducted in the tourism industry in North Rift region of Kenya on the effects of strategic human resource management on tourism product quality. The chapter has four parts covering the key objectives of the study. The chapter describes recruitment and selection of employees, training and development of employees, motivation of employees, employees' remuneration, and tourism product quality.

4.1 Response Rate

A total of 138 questionnaires were issued but 114 were submitted back for analysis. This translates to 83% response rate for this study. This high response rate was attributed to the rapport that was created with managers of the sampled hotels by clearly explaining the importance of the study especially in improving the hotel industries. The high response rate was also attributed to the fact that the researcher was involved in distributing and picking the questionnaires from the respondents. This was favourable to allow statistical analysis of the data and make inferences. Most of the survey research the response rate ranges between 50 and 60 % (Serem, Boit and Wanyama, 2013).

4.2 Demographic Information of Respondents

The study shows that 55% of the hotel managers were males and 45% of the hotel managers were females. The study further shows that 19% of the hotel managers were aged over 40 years, 39% were aged 36-40 years, 23% were aged 31-35 years ,

16% were 26-30 years and 3% were less than 25 years. These findings showed that majority of the hotel managers were of middle age.

The study also shows that most (80%) of the hotel managers had diploma, 10% had degree and 5% had masters and 5% had other qualifications. [The study further shows that](#) 15% of the hotel managers had less than 3 years and only 15% of the hotel managers had over 10 years in the industry, 30% of the hotel managers had 4-6 years while majority (40%) of the hotel managers had 7 to 10 years in the hotel industry. The findings show that most of the hotel managers are diploma holders. Most hotel managers have experience extending from 4 years and above. These managers therefore had limited understanding of the dynamics of the human resource management in the tourism industry since they had more operational than managerial capacity. This means that they had inadequate managerial capacity to practice strategic human resource management.

4.3 Descriptive Analysis of SHRM strategies

Frequency distribution and percentages were used to analyse each of the likert item of likert scale questions addressing SHRM strategies. The percentage and frequencies were presented from one to five for Strongly Disagree (SD) - 1, Disagree(D) -2, Neutral(N)-3, Agree(A)-4 and Strongly Agree(SA) -5.

4.3.1 Recruitment and Selection

Recruitment and selection of competent employees by hotels is an essential part of strategic human resource management in the tourism industry. If done professionally and with full understanding of the tourism industry, recruitment and selection guarantees high quality of tourism product. The findings presented in appendix II showed that 39 (34.4%) of the hotel managers agreed that there is recruitment policy

in the hotels, while 12 (10.5%) of the hotel managers strongly agreed that there is recruitment policy in the hotels. Thirty one point seven percent 35 (31.7%) of the hotel managers disagreed that employees are recruited from around while 3 (2.6%) of the hotel managers strongly disagreed that employees are recruited from around. Of the hotel managers, 57 (50.3%) agreed that employees are recruited on merit while 20 (17.9%) strongly disagreed employees are recruited on merit. In addition 49 (43.2%) of the hotel managers agreed that employees promotion was done internally while 13 (11.6%) strongly agreed that employees promotion was done internally. From the findings it was found out that 48 (42.3%) of the hotel managers agreed that recruitment of the employees in the hotel was frequent while 8 (7.2%) strongly agreed that recruitment of the employees in the hotel was frequent. More so 39 (34.9%) of the hotel managers disagreed that advertisement was placed for the arising vacancies while 30 (26.7%) strongly disagreed that advertisement was placed for the arising vacancies. Furthermore, 45 (39.7%) of the hotel managers disagreed that there was recruitment panel for the hotel while 21 (18.8%) of the hotel managers strongly disagreed that there was recruitment panel for the hotel. Most respondents appeared to agree with many aspects of recruitment and selection due interests in creating a positive image of their positions in the hotels they were working for. These findings are likely to negatively affect tourism product quality since hotels may not undertake the necessary improvements in the way recruitment and selection is conducted.

On the recruitment and selection process of the hotel employees, the study shows that it had a mean of 4.97(SD= 0.8). The variables under recruitment and selection of the hotel employees are moderately skewed given that the values fall between -1 and -0.5 and 0.5 and 1. However, they have a kurtosis score less than 3 meaning they are negative kurtosis (Kothari, 2006). This shows that there was low variations from

average response(disagreed). On average hotel managers reported that they did not conduct recruitment and selection in accordance with fairness, impartiality, competency and suitability for the job.

4.3.2 Training and Development

Employees training and development is another essential part of strategic human resource management that is often ignored by many organizations including hotels. In appendix II, the findings showed that 51 (44.7%) of the hotel managers agreed that employees were fully competent in the hotels, and 17 (14.9%) of the hotel managers strongly agreed that employees were fully competent. Thirty seven percent 42 (36.9%) of the hotel managers disagreed that training of employees was given adequate attention while 16 (14.7%) strongly disagreed that training of employees was given adequate attention. Of the hotel managers, 36 (31.6%) disagreed that training policy for the employees existed in the hotel while 29 (25.4%) strongly disagreed that training policy for the employees existed in the hotel. Thirty four percent 39 (34.2%) of the hotel managers disagreed that skills of the employees were regularly developed while 17 (14.9%) strongly disagreed that skills of the employees were regularly developed. Slightly less than half of the hotel managers 47 (41.2%) were neutral on the issue that employees were well trained. Also slightly more than Half of the hotel managers 66 (57.9%) agreed that the top management was competent. Forty one percent 47 (41.7%) of the hotel managers strongly disagreed that off-the house training opportunities were available while 30 (26.5%) of the hotel managers disagreed that off-the house training opportunities were available. Less than half of the hotel managers 49 (43.3%) strongly disagreed that training opportunities were available to the employees while 19 (16.9%) disagreed that Training opportunities were available. Of the hotel managers who participated in the

study 44 (38.6%) were neutral on the issue that employees skills were market driven. Forty nine percent 55 (48.8%) of the hotel managers strongly disagreed that there was enough budgetary allocation for the hotel while 22 (19.8%) disagreed that there was enough budgetary allocation. Most respondents disagreed to availability of most aspects of training and development since their interests seemed not to be taken care of. These findings are likely to positively affect tourism product quality since hotels may undertake the necessary improvements in the way training and development is conducted.

The respondents on training and development had a mean of 4.81 with a standard deviation of 1.13. The variables are moderately skewed given that their values fall between -1 and -0.5 and 0.5 and 1. However, they have a kurtosis score less than 3 meaning they are negative kurtosis (Kothari, 2006). This depicts that there was low variations from average response by hotels managers that they disagreed that hotels conduct training and development according to SHRM.

4.3.3 Employee Motivation

To establish the level of the employees' motivation as an important aspect of strategic human resource management, the study assessed the employees' commitment, employees' welfare and regularity of the employees as aggregates of employees' motivation.

The overall findings presented in appendix IV on employees' motivation showed that the hotel managers had a mean of 4.77 and a standard deviation of 1.36 on motivation responses. The variables are moderately skewed given that the values fall between -0.5 and 1. However, they have kurtosis scores less than 3 meaning they are negative

kurtosis (Kothari, 2006). On average, the hotel managers responded that they disagreed that employees were being motivated.

4.3.3.1 Employees Commitment

Commitment is an individual determination of an employee to improve productivity but it has to be triggered by the responses from management on employee's performance. The findings showed that 3 (2.7%) of the hotel managers strongly disagreed that employees participated in decision making. Of the hotel managers who participated in the study 42 (36.0%) disagreed that employees participated in decision making. 35 (32.3%) of hotel managers agreed that the employees were fully motivated to work in the hotels while 15 (13.0%) of the hotel managers strongly agreed that the employees were fully motivated to their work in the hotels. Less than half of the hotel managers 37 (34.6%) agreed that the employees were creative while 16 (16.2%) strongly agreed that the employees were creative. More so less than half of the hotel managers 36 (31.6%) agreed that the employees were free to handle customers complaints while 15 (13.7%) strongly agreed that the employees were free to handle customers complaints. Fifty two percent 58 (51.9%) of the hotel managers agreed that the employees were strictly supervised, and 8 (9.0%) strongly agreed that the employees were strictly supervised.

4.3.3.2 Welfare of Employees

The study further investigated whether the management of the hotels was responsive to the welfare of the employees working in the hotels. The findings showed 9 (7.9%) strongly disagreed that the employees' welfare was being taken care of by the hotels management while 53 (46.7%) of the hotel managers disagreed that the employees' welfare was being taken care of by the hotels management. Less than half of the hotel

managers 51 (44.7%) agreed that employee promotion was based on merit, and 14 (13.3%) strongly agreed that employee promotion was based on merit.

4.3.3.3 Employee Regularity

The aspect of employee motivation was investigated to find out whether the employees work in one hotel for many years before moving to another hotel (employee turnover). According to the findings 3 (2.7%) strongly disagreed that the employees work in the hotel for many years before moving to another hotel while 56 (49.6%) of the hotel managers disagreed that employees work in the hotel for many years. Most respondents appeared to agree with many aspects of employee motivation since they might have wanted to portray a positive image of themselves. These findings are likely to negatively affect tourism product quality since hotels may not undertake the necessary improvements in the way employee motivation is done.

4.3.4 Employees Remuneration

The study also investigated the employee remuneration as an aspect of the strategic human resource management in the tourism industry. The findings presented in appendix V showed that 44 (38.6%) of the hotel managers disagreed that there is remuneration policy for hotel management while 12 (11.5%) strongly disagreed that there is remuneration policy for hotel. Less than half 45 (39.5%) of the hotel managers disagreed that the employees were fairly remunerated, and 8 (8.0%) of the hotel managers strongly disagreed that employees were fairly remunerated. Some of the hotel managers 42 (36.8%) disagreed that the employees effort is adequately rewarded while 11 (9.9%) strongly disagreed that the employees effort is adequately rewarded. Slightly less than half 53 (46.8%) of the hotel managers disagreed that each employee's wage is known by the other employees, and 16 (15.0%) strongly disagreed that the each employee's wage is known by the other employees. Only 31

(24.3%) of the hotel managers agreed that the employees were paid on time while 28 (25.8%) strongly agreed that the employees were paid on time. Most respondents appeared to disagree with many aspects of employee remuneration since their interests were not taken care of. These findings are likely to positively affect tourism product quality since hotels may undertake the necessary improvements in employee remuneration.

The hotel managers had a mean of 3.42 and a standard deviation of 1.104 on remunerations responses. In addition, the variables are moderately skewed given that the values fall between -1 and -0.5 and 0.5 and 1. However, they have kurtosis scores less than 3 meaning they are negative kurtosis (Kothari, 2006). In this case average response on remuneration by hotel managers was within the category of disagree in the scale that employees remuneration was not done according to SHRM.

4.4 Tourism Product Quality

Tourism Product Quality is the tourist's perception of the value derived from the recreation, leisure or business experience. Investigation was done on the five dimensions of the tourism product quality that included reliability, responsiveness, assurance, empathy and tangibility.

The overall findings presented in appendix VI on tourism product quality showed that the hotel managers had a mean of 4.68 with a standard deviation of 2.08. The mean fall under strongly agree category depicting that the tourism product quality was high in the target hotel. The individual variables were moderately skewed given that the values fall between -1 and -0.5 and 0.5 and 1. This shows that there was low variations from average responses meaning majority of hotel managers reported that tourism quality product was high. However, two variables (the restaurant is clean and

the kitchen is clean and well ventilated) were highly skewed because they are less than -1, others are moderately skewed given that the values fall between -1 and -0.5 and 0.5 and 1. In addition, they have positive kurtosis given they have value higher than 3 meaning they have high variations from the average response.

4.4.1 Reliability of the Tourism Product

Tourism product reliability refers to the ability of the service staff to perform the promised service dependably and accurately. The findings in appendix VI showed that 56 (50.6%) of the hotel managers agreed that the employees always promise what is offered by their establishment, and 11 (10.6%) of the hotel managers strongly agreed that the employees always promise what is offered by their establishment. More so 56 (49.7%) of the hotel managers agreed that the employees provide excellent service to customers while 25 (21.9%) strongly agreed that the employees provide excellent service to customers. Less than half 44 (38.9%) of the hotel managers agreed that the employees are able to provide service that exceeds customer expectations, and 19 (16.9%) strongly agreed that the employees are able to provide service that exceeds customer expectations.

4.4.2 Responsiveness of the Tourism Product

Responsiveness of the tourism product implies that employees are willing to attend to the tourists' needs promptly. The findings presented in appendix VI showed that 48 (42.3%) of the hotel managers strongly agreed that the employees are always willing to help customers while 44 (38.7%) agreed that the employees are always willing to help customers. Slightly less than half 53 (46.8%) of the hotel managers strongly agreed that the employees attend to customers promptly while 44 (38.8%) agreed that the employees attend to customers promptly. Half 57 (50.0%) of the hotel managers agreed that the employees have adequate knowledge on customers' needs

while 23 (20.7%) strongly agreed that the employees have adequate knowledge on customers' needs.

4.4.3 Assurance of the Tourism Product

Assurance refers to the employees' knowledge and courtesy and their ability to inspire trust and confidence in the tourists. The findings in appendix VI showed that 67 (58.9%) of the hotel managers agreed that the employees are competent in their work, and 34 (30.1%) strongly agreed that the employees are competent in their work. Only 59 (51.9%) of the hotel managers strongly agreed that the employees are courteous to customers while 48 (42.5%) agreed that the employees are courteous to customers. Slightly less than half 56 (49.2%) of the hotel managers agreed that the employees are able to win customer confidence while 48 (42.2%) strongly agreed that the employees are able to win customer confidence. Slightly more than half 60 (52.9%) of the hotel managers agreed that the employees are able to gain trust from customers, and 42 (36.9%) strongly agreed that the employees are able to gain trust from customers.

4.4.4 Empathy of the Tourism Product

Empathy refers to caring, individualized attention given to tourists. The findings in appendix VI showed that 60 (52.9%) of the hotel managers agreed that the employees are caring to customers, and 51 (44.9%) strongly agreed that the employees are caring to customers. Two hotel managers 2 (2.2%) were neutral on the issue of whether employees were caring to customers. Fourteen hotel managers 14 (12.7%) were neutral on the issue of whether employees attend to individual customers' need. More than half 67 (58.8%) of the hotel managers agreed that the employees attend to individual customers' needs while 22 (19.6%) strongly agreed that the employees attend to individual customers' needs.

4.4.5 Tangibility of the Tourism Product

Tangibility encompasses the physical appearance of facilities, equipment, personnel, and written materials. The findings in appendix VI showed that 3 (2.8%) strongly disagreed that there is well placed signposts to direct customers to their hotels, 15 (13.6%) of the hotel managers disagreed that there is well placed signposts to direct customers to their hotels while 9 (7.9%) were neutral. 58 (50.9%) of the hotel managers agreed that there is well placed signposts to direct customers to their hotels while 28 (24.8%) of the hotel managers strongly agreed that there is well placed signposts to direct customers to their hotels. Only one hotel manager 1 (0.9%) strongly disagreed that the compound is well kept. Five hotel managers 5 (4.4%) were neutral. More than half 66 (57.9%) of the hotel managers agreed that the compound is well kept while 42 (36.8%) strongly agreed that the compound is well kept. Only 63 (55.7%) of the hotel managers agreed that the reception area is well kept, and 37 (32.8%) strongly agreed that the reception area is well kept. Less than half 42 (36.8%) of the hotel managers agreed that the employees have clean branded uniforms, and 22 (19.4%) strongly agreed that the employees have clean branded uniforms. More than half 67 (58.9%) of the hotel managers agreed that the hotel rooms are clean and well ventilated while 43 (37.9%) strongly agreed that the hotel rooms are clean and well ventilated. Less than half 37 (33.7%) of the hotel managers agreed that the hotel beddings are clean and branded, and 28 (24.8%) strongly disagreed that the hotel beddings are clean and branded. Half 57 (50.4%) of the hotel managers agreed that the restaurant is clean, and 54 (47.7%) strongly agreed that the restaurant is clean. More than half 68 (59.6%) of the hotel managers agreed that the hotels' kitchen is clean and well ventilated while 39 (34.2%) strongly agreed that the kitchen is clean and well ventilated. Less than half 37 (32.6%) of the hotel managers

agreed that the hotel has well designed and informative brochures/website, and 25 (21.9%) strongly agreed that the hotel has well designed and informative brochures/website. Most respondents appeared to agree with many aspects of tourism product quality since they might have wanted to create an image of quality product. These findings are likely to negatively affect tourism product quality since hotels may not undertake the necessary measures to improve tourism product quality.

4.5 Test of Hypothesis

4.5.1 Reliability analysis

This analysis was done to test reliability of the hotel managers questionnaire. Reliable measuring instrument is one which gives you the same measurements when you repeatedly measure the same unchanged objects or events (Mugenda and Mugenda, 2003). The reliability analysis was done to measure of internal consistency of the hotel manager's questionnaire. Cronbachs Alpha was used. Three major steps of Cronbachs Alpha analysis include splitting the items(questions) in the questionnaire into two in every way possible, computing the correlation coefficient for each split and getting the average value(Cronbachs Alpha). Cronbachs Alpha value was generated using the SPSS.

From reliability analysis, the hotel manager questionnaire had high value (0.877) of the reliability coefficient greater than acceptable value of 0.70 (George and Mallery, 2003). This means that the items (questions) measured adequately the effects of strategic human resource management on tourism product quality.

The scores from hotel managers responses under each of the aspects of strategic human resource management and tourism product quality were summed up together to generate an average composite score as shown in table 4.1 on descriptive analysis.

Table 4. 1 Descriptive statistics of aspects of SHRM and TPQ

	Cron Bachs Alpha	Mean	Std. Deviation
Recruitment and Selection	0.759	4.177	0.955
Training and development	0.865	4.748	1.768
Employee Motivation	0.894	4.808	1.257
Employee Remuneration	0.877	3.476	1.126
Tourism Product quality	0.867	3.371	2.089

4.5.2 Correlation Analysis

To test whether the employee recruitment and selection, training and development, employee motivation and employee remuneration were related among themselves and Tourism product quality, a correlation analysis was conducted. The results of the correlation analysis presented in Table 4.2 shows that Recruitment and selection, employee remuneration, Training and Development and employee motivation were correlated with each other within the required limit of less than 0.75 for multiple regression analysis (Serem, Boit and Wanyama, 2013). This allowed the researcher to apply the independent variables on the model.

Table 4. 2 Correlation Coefficient of the Factors

		Product	Recruitment	Remuneration	Training
Recruitment	Pearson Correlation	0.536**			
	<i>P Value</i>	0.000			
Remuneration	Pearson Correlation	0.536**	-.211		
	<i>P Value</i>	0.000	0.06		
Training	Pearson Correlation	0.626**	-.455**	-.293**	
	<i>P Value</i>	0.000	0.000	0.002	
Motivation	Pearson Correlation	0.594**	-.138	.371**	-.207
	<i>P Value</i>	0.000	0.231	0.000	0.21

Key for correlation coefficient

Direction

positive sign: an increase in one variable is associated with an increase in the other variable and a decrease in one variable is associated with a decrease in the other variable

Negative Sign : an increase in one variable is associated with a decrease in the other and vice versa.

Strength : 0-0.5 (weak),0.6- 0.8(moderate),0.8 -1 (strong)

**Correlation is significant at the 0.05 level

Source: Research Data, 2013

As shown in table 4.2, Recruitment and selection has weak negative relationship with remuneration (-0.211), motivation (-0.138) and training and development (-0.455). Remuneration has weak negative (-0.293) relationship with training and development. However, it has weak positive (0.371) relationship with employee motivation. Finally, training and development has a weak negative (-0.207) relationship with motivation.

Tourism Product quality had a direct moderate relationship with recruitment and selection (0.536), raining and development (0.626), remuneration (0.536), employee

motivation (0.594). From hotel managers responses, improvement of aspects of SHRM improved tourism product quality and decline in aspects of SHRM directly made tourism product quality decline.

4.5.3 Test of significance of the coefficients (Hypothesis Testing)

Table 4. 3 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.671	.450	.425	8.03852

Predictors: (Constant), Remuneration, Recruitment, Motivation, Training

Dependent Variable: Product

Source: Research Data, 2013

Coefficient of determination (R^2) is mainly used to examine the suitability of the regression model in observed data. However, multiple correlation of coefficient (R), Adjusted R^2 , F statistics and Standard error of regression coefficients can be used to determine the best model fit (table 4.2).

In table 4.3, R is the correlation coefficient for combined aspects of strategic human resource management (recruitment and selection, training and development, remuneration, motivation and tourism product quality). These aspects had a combined moderated positive relationship with tourism product quality meaning improvement in recruitment and selection, training and development, remuneration and motivation will improve tourism product quality and vice versa.

R^2 is the coefficient of determination which measure the percentage of total variation of outcome variable accounted for by predictor variable (Kothari, 2006). In this study, 45.9% (R^2) of changes (positive or negative) in tourism product quality is

accounted by changes (positive or negative) in recruitment and selection, training and development, remuneration and motivation. Adjusted R^2 shows that the percentage of total variation of outcome variables when adjusted for number of independent variables and sample size. In this study, Adjusted $R^2 = 0.429$ (42.9%) variation in tourism product quality is explained by recruitment and selection, training and development, remuneration and motivation adjusted for only 4 independent variables and sample size of 114 hotel managers. Compared with R^2 , it shows that recruitment and selection, training and development, remuneration and motivation were appropriate aggressors for predicting tourism product quality.

Standard error (SE) of estimate is used to measure the deviations of observed values around the regression line (Mugenda and Mugenda, 2003). The small the standard error depicts that the model fit the observed data well. In this study, the $SE = 8.01383$ showing the relatively large and therefore the model did not fit the observed data well.

To fit the linear model to the observed data, an assessment of the extent to which model fit the data was done. In the least squared regression line, testing of the statistical significance of the model is used specifically using F test statistics and its correspondent p value as shown in the table 4.4. This is to determine whether the four predictor variables as a group are statistically significant to predict the outcome variables (tourism product quality). The findings showed that the four predictors (recruitment and selection, training and development, employee motivation and employee remuneration) have a significant linear relationship ($p = 0.000$) with dependent variable (Tourism Product Quality). To generate F statistics, the least square method that uses sum squares (4802.816 for regression and 5651.493 for residual) and mean of squares (960.563 for regression and 64.222 for residual) was used in determining the function of best fit (varies least) from the data with certain

degree of freedom as shown in table 4.4. In statistics degree of freedom is number of values that free to vary in statistical calculation ((Kothari, 2006).

Table 4. 4 ANOVA Table of Model

		Sum of				
Model		Squares	df	Mean Square	F	Sig.
1	Regression	4802.816	5	960.563	14.957	.000
	Residual	5651.493	88	64.222		
	Total	10454.309	93			

Predictors: (Constant), Recruitment, Remuneration, Training, Motivation

Dependent Variable: Product

Source: Research Data, 2013

Estimation of Model Coefficients

The four predictor variables were included in the multiple linear regression model. In estimation of the coefficients, Ordinary Least Square (OLS) method was used. OLS selected a set of values of the parameters that ensured that observed and predicted values of Tourism Product Quality were as small as possible. The results from multiple linear regression analysis have been shown in the table 4.5.

Table 4. 5 Regresson Coefficients for Predictors

Predictors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error				Lower Bound	Upper Bound	Tolerance	VIF
(Constant)	49.150	5.319		9.240	.000	38.581	59.718		
Recruitment and selection(RS)	.400	.277	.180	1.443	.152	-.151	.951	.398	2.512
Training and Development(TD)	-.068	.204	-.057	-.332	.741	-.473	.338	.209	4.776
Employee Motivation(EM)	.662	.226	.393	2.923	.004	.212	1.111	.342	2.924
Employee Renumeration(ER)	.455	.246	.237	1.847	.068	-.034	.944	.374	2.675
Dependent Variable: Tourism Product Quality (TPQ)									

Source: Research Data, 2013

Regression coefficients

Coefficient (β) of the model indicates how much the dependent variable varies with an independent variable when other independent variables are held constant. They measure each contribution to variations of the dependent variables. It is suitable to use unstandardized coefficient because they are calculated based on the raw data and

has their original unit of measurement. Standardized β have been calculated after subtracting mean from individual observed values and divided by standard deviation. These generated Z scores have no unit as compared to unstandardized. The standardized B are prone to sampling variability and therefore unsuitable for fitting the model. The coefficient have been used in fitting the model below that best fit in predicting the improvement of tourism product quality as SHRM improved from 0 to 1. The best fitted multiple regression models for tourism product quality for the tourism industry is as follows (the abbreviations of the predictor variables and dependent variable are in table 4.5 above).

$$TPQ = 49.150 + 0.180 RS - 0.057 TD + 0.393 EM + 0.237 ER$$

Test of significance

The significance testing can be done using the coefficients, t statistics or the significant level presented in the table above. The t statistics (t test) are generated using unstandardized B and their standard errors as shown in table 4.5. The t statistic is used in testing the significance (drawing inference) of regression coefficient of the predictors. In this study, significance level was used to test the significance of each of the coefficients of the predictors in the regression model. In Table 4.5, significance levels have been generated for each coefficient (Kothari, 2006).

As shown in the table 4.5, Recruitment and selection ($t(112) = 1.443$, $p = 0.152$), Training and development ($t(112) = -0.332$, $p = 0.741$) and Employee remuneration ($t(112) = 1.847$, $p = 0.068$) did not have significant effects on tourism product quality. Employee motivation ($t(112) = 2.923$, $p = 0.004$) had significant effects on tourism product quality.

Test of hypothesis can be done using 95% confidence interval for coefficient as shown in the table 4.4. The null hypothesis is if the coefficient is zero it means the aspect of SHRM had no contribution to changes in tourism product quality. As shown in table 4.4., 95% confidence interval of Recruitment and selection (-0.151,0.951), Training and development (-0.473,0.338) and Employee remuneration (-0.034,0.944) do contain zero meaning, the above aspects of SHRM do not have any significant effects on tourism product quality. However, 95% confidence interval of employee motivation (0.212,1.111) do not contain zero meaning, employee motivation had significant effects on tourism product quality hence management of hotels in the North Rift should pay adequate attention to employee motivation.

Multicollinearity

Multicollinearity is tested using tolerance and Value Inflation Factor which have been generated in table 4.4. Variance Inflation Factor measures how much the variance of the estimate coefficient are increased over the case of no correlation among the independent variables. Tolerance indicate the perfect variance in the predictor that cannot be accounted for by other predictors. When tolerance is more than 0.1 and VIF is 10, then there is high collinearity. As shown in the tables 4.4 all predictors had more than 0.1 for tolerance and 10 for VIF(Kothari, 2006). This means that recruitment and selection, training and development, employee motivation, and remuneration independently contributed to tourism product quality.

4.6 Discussion

This part presents discussion of the findings on recruitment and selection, training and development, employee motivation, employee remuneration and tourism product quality.

4.6.1 Recruitment and Selection

Recruitment and selection of employees in the tourism industry is a continuous process. The findings showed that many of the hotels do not conduct proper recruitment and selection processes as per the principles of strategic human resource management. The findings further showed that recruitment and selection had no significant effects on tourism product quality. However, the correlation analysis showed that there was direct and moderate relationship with tourism product quality. Few hotel managers agreed that their hotels carried out proper recruitment and selection. This outcome is supported by Luiz (2000) who argues that most tourism organizations lack clear human resource policies, a situation that exposes them to numerous challenges in recruiting, developing and maintaining a committed, competent, well-managed and well-motivated workforce which is focused on offering a high quality tourism product to the increasingly demanding tourists. The high failure by the hotels to undertake proper recruitment and selection is a clear indication of the failure by the hotels to adopt strategic human resource management which is essential in enabling tourism organizations to determine how and when to source the best employees, internally and externally. From the findings, it was established that hotels routinely undertake improper recruitments and selections that are normally not responsive to the increasingly competitive tourism market since they fail to secure suitably qualified employees at all levels. According to strategic human resource management guidelines, the hotels must have a recruitment policy, and well laid procedure for recruitment and selection of employees at all levels. This is more emphasized by Zeithaml and Bitner (2003) who argue that in order to build a customer-oriented, service-minded workforce, an organization must hire the right

people, develop people to deliver service quality, provide the needed support system and re-train the best people.

4.6.2 Training and Development

Training and development of employees is a good practice in strategic human resource management since it enhances the capacity of the employees to cope with changing times in any industry. The findings showed that majority of the hotel managers disagreed that there is continuous training and development of the employees working in the hotels within North Rift region. The findings further showed that training and development had no significant effects on tourism product quality despite having a direct moderate relationship with tourism product quality. This reality exists in an environment where training has been widely recognized as an important factor for productivity by firms across sectors (Tan and Batra, 1995). Lack of training and development opportunities to the employees working in the hotels and in the tourism industry in general denies the employees the valuable chance of acquiring essential attitudes, competencies and skills that are highly needed in the modern tourism business environment. The findings on training and development of employees working in hotels are supported by Moutinho (2000) who laments that the major problem in Africa is the inadequate skills amongst the employees in the tourism industry. He further argues that notable deficiencies have been recognized in the areas of education and training, technology adoption and application, marketing, branding and market research.

However, few of the hotel managers agreed that there is continuous training and development of employees working in the hotels. In these few cases of the hotels, it was observed that the hotels were well established than others, have recognized the importance of continuous manpower development, and have realized that efficiency

will only be achieved with well-trained and capable human resource in the tourism industry. Mayer (2008) states that high performance organizations develop an extensive array of employee training and management development programs to strengthen the competencies of its human resources. Only few hotels (28.2%) seem to realize the key role that training plays in the improvement of tourism product that is offered to the tourists, particularly in the creation of a pool of unique human capital that is difficult to replicate and hard to substitute for. The current business environment demands that hotels in the North Rift region adopt and fully implement strategic human resource management policies that prioritize employees training and development, with a view of attaining high level of knowledge and skills that eventually improve the quality of the overall tourism product that is offered to the tourists.

For many of the hotels with little aspects of the training and development of the human resources, they underrated the contribution of the employees to quality of the tourism product they offer.

4.6.3 Employee Motivation

Employee motivation was found to have significant effects on tourism product quality. One of the key pillars of organizational success is the existence of a motivation system. It is through motivation that employees sense, think and feel, and change their skills into behavior, choose whether or not, or how much to contribute. The findings showed that many of the hotels do not motivate their employees. This therefore means that the management of the hotels treats employees with total disregard and view them as mere tools of production. Hotels have failed to realize that the key to competitiveness is quality which depends more on commitment of individuals than their acquired technical skills. This compares well with Bart *et al.*

(2003) who argue that tourism companies usually look for people who are willing to work for wages marginally above the statutory minimum levels, which consequently leads to de-motivation and high staff turnover.

It was found that most hotels in the North Rift region do not recognize the importance of employees' motivation, and this cause the employees to experience and express dissatisfaction, de-motivation and frustrations. Management in most cases seems not to care since there is a feeling that there is a pool of unemployed people out there who are always looking for jobs, an idea which may seem to be worth in the short-term but whose effects in the long- term are disastrous since it translates into poor perceptions of product quality by the tourists, high levels of dissatisfactions, and lower sales. The outcome of the study concurs with Moutinho (2000) who laments that while in some subsector areas tourism provides for an attractive, high status working environment with competitive pay and conditions, the situation is contrary in other subsector areas such as hotels where there are common cases of of poor working conditions, low pay, high staff turnover, problems in recruiting skills, high level of labour drawn from socially disadvantaged groups and virtual absence of professionalism. Lack of motivation among the employees working in the hotels in the North Rift region is the main reason why employees are frequently leaving their employers, which consequently lead to low productivity, loss of customer service skills, extra time taken to train and inculcate members of staff to organizational culture and the possible loss of repeat business since regular customers like to see familiar faces. Bart *et al.* (2003) asserts that dissatisfied, de-motivated and frustrated employees bring their feelings with them when interacting with the customers and these feelings are transmitted during interactions.

From the findings, few hotel managers reported that their hotels have motivation systems in place to motivate their employees. The study further showed that low motivation is due to little commitment by the employees. The study also found out that the hotels had little care of the employees' welfare. In such a scenario, the managers were not encouraged to motivate their employees. The managers also reported that the employees do not have long term commitment to their respective hotels. The findings contradict with the views of the past researchers in the field of human resource management such as Armstrong (2009) who argues that organizations should invest in the skills and abilities of the employees, involve the employees in decision-making, and provide incentives to motivate workers to use their discretionary effort so as to gain sustained competitive advantage. Armstrong further asserts that organizations should create an environment that increases employees' satisfaction from their work by reducing monotony, increasing variety, autonomy and responsibility and avoiding placing people under too much pressure.

4.6.4 Employee Remuneration

Remuneration is the key to draw and attract employees towards in an organization or profession. The findings showed that many of the hotel managers disagreed that the employees working in their hotels were fairly remunerated. However, regression analysis showed that employee remuneration did not have significant effects on tourism product quality. This compares well with Moutinho (2000) who laments that the front-line staff who should be sufficiently well paid are actually the poorest paid employees of the company. Many of the hotels in the North Rift region seem not to have realized that employees usually compare what they put in their job in terms of time, effort, ability, loyalty, tolerance, flexibility, integrity, commitment, reliability, hearts and soul and personal sacrifice with what they get from their employer in terms

of pay, bonus, perks, benefits, security, recognition, interest, development, reputation, praises, responsibility and enjoyment against what is offered in the market-place. This disconnect has led into employees being de-motivated, thus reducing their output. This is further associated with the high staff turnover and frequent customer complaints in the hotels that are located in the North Rift region. The equity theory that was advanced by Adams (1963) holds that employees are motivated when perceived outputs or pay are equal to perceived inputs of efforts, work or behaviours, and that a disequilibrium in the output to input balance causes discomfort. The hotel managers reported that despite the employees putting more effort, more time and withstanding common tourists' complaints, they are lowly paid, usually with no other extra benefits. The low levels of remuneration were seen as one of the key reasons as to why employees were frequently shifting from one hotel to another.

From the findings, few of the hotel managers reported that the employees working in their hotels were fairly remunerated.

4.6.5 Tourism Product Quality

Tourism product quality is considered to be one of the key to the success of tourism firms, and it is by this element that firms gain and sustain competitive advantage.

The findings showed that majority of the hotel managers agreed that the product offered by their hotels was of high quality and that it met tourists' expectations. Tourism product quality is critical in determining tourists' satisfaction, which in turn determines the reputation of the firms and their overall success in the highly competitive tourism market environment. The findings indicate that the tourism product offered by the hotels in the North Rift region is of high quality despite the minimal adoption of strategic human resource management by most hotels. Zeithaml

and Bitner (2000) point out that a key strategy for customer focused firms is to measure and monitor customer satisfaction and service quality. Few of the hotel managers disagreed that the product offered by their hotels was of high quality and that it did not meet the tourists' expectations. The hotel managers reported that the hotels had not adopted strategic human resource management practices in their day to day operations. This is supported by Groonros (2000) who argues that while many firms always expect their employees to be customer-oriented, attractive, and empathetic and demonstrate competency in their work, the same employees are denied the opportunity to acquire the knowledge and skills.

The research findings show that employee motivation is the only significant aspect of strategic human resource management on tourism product quality, and that recruitment and selection, training and development and remuneration are not significant. This is supported by the SERVQUAL model which presents a layout of the 5 gaps that exist in service quality management. The feedback from the hotel managers concerning the TPQ is likely to have been erroneously influenced by the managers' perception of the five dimensions of service quality. Although the sampled hotels seem to be applying the SERVQUAL model in their management, Groonros (2000) cautions that this model should be applied carefully, and the determinants and attributes of the instrument always reassessed in any situation before it is used. The findings that fail to establish a significant effect of strategic human resource management on tourism product quality could be rightly attributed to Gap 2 in the SERVQUAL model where the management perceptions of consumer expectations does not match with the translation into service quality specifications. This could also be attributed to failures that occur in the model due to the failure to adopt strategic human resource management such as; inaccurate information from market research

and demand analysis, too many organizational layers, insufficient planning procedures, bad management of planning, lack of clear goal setting, complicated and rigid specifications and lack of sufficient internal marketing (Gronroos, 2000). From the findings it is clear that the hotel managers who play the agency role in the management gave positive feedback for the purpose of safeguarding the image of their hotels. Lack of strategic human resource management orientation by the hotels seem to have made the hotel managers always view tourism product quality from their own perspective and not from the customers' perspective. This view of the researcher is backed by Zeithaml and Bitner (2000) who define tourism product quality as the perception the customer/tourist has of the firm or a destination or interaction with products or services. Marcjanna (1998) argues that although some of the big tourism enterprises have advanced quality management processes which are also comprehensive, they have continued to face difficulties with achieving total satisfaction of tourists.

For the tourism product quality, five dimensions were considered as laid out by SERQUAL model (Zeithaml *et al*, 1988). The findings showed that all the factors were considered by the hotel managers. The managers' rating of the five dimensions revealed that assurance was rated high by managers, followed by empathy, tangibility and responsiveness. Only reliability was rated averagely by the managers.

The findings further revealed that employee motivation was the only significant aspect of the strategic human resource management while recruitment and selection, training and development and employee remuneration were not.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a discussion of the research findings, the conclusion of the research and the recommendations emanating from the findings of the study.

5.2 Summary of the Findings

Despite low adoption of strategic human resource management practices among the hotels, majority (75.4%) of the managers agreed that the tourism product quality was of high quality and met the tourists' expectations. The quality was significantly affected by employee motivation ($p=0.004$). It was found out that 15.2% of the hotel managers confirmed that their hotels have motivation systems in place and only 15.6% of the managers agreed that their hotels do care for their employees and only 10.8% of the managers reported that their employees stay for long in the hotels. Due to lack of motivation system in many hotels, 62.3% reported that the employees never participated in decision making. Others (57%) reported that there was no employees' welfare in their hotels. This therefore could be one of the reasons for high turnover in hotels as reported by 49.6% of the managers.

However, recruitment and selection ($p=0.152$), training and development ($p=0.741$), and employee remuneration ($p=0.068$), did not have significant effects on tourism product quality. The findings showed that many of the hotels do not conduct recruitment and selection process. Only 39% of the hotel managers reported that they had recruitment policy and 61% of the hotel managers reported that they did not. It is noted that 50.3% of the manager reported that the recruitment was not based on merit

despite recruitment being done frequently as it was reported by 49.5% of hotel managers.

The findings further showed that majority of the managers of the hotels reported that they do not conduct continuous training and development of the employees. Among the managers (44.7%) reported that the hotel employees were competent. Slightly higher number of managers (57.9%) also reported that the top management were competent. However, 36.9% said that employees were given attention in relation to training. There was no regular training and development conducted on the hotel employees as reported by 42.2% of the hotel managers. The findings further depict that only 9.1% of the hotel managers reported that the employees are fairly remunerated. Majority (50.1%) of the hotel managers reported that their hotels did not have remuneration policy and 48% said that there was no fair remuneration for hotel employees. In addition, 60.1% of the managers reported that payment of employees was done in time.

5.3 Conclusion

The study showed that there was a significant effect of strategic human resource management on tourism product quality. The findings on multiple regression model depicted that recruitment and selection, training and development, employee motivation and remuneration are significantly related to tourism product quality. This meant that their combined effects of the four aspects significantly influenced the changes in tourism product quality. However, further investigation into individual contribution of the four aspects of the strategic human resource management revealed that only employee motivation had significant effect on tourism product quality while recruitment and selection, training and development and employee remuneration had not.

The findings also revealed that the tourism product offered by the hotels in the North Rift region was of high quality. The five dimensions of tourism product quality (reliability, responsiveness, empathy, tangibility and assurance) had 53% and above hotel managers supporting their existence in the hotels. From the findings, it was also clear that many of the hotels in the North Rift region are focused on maximizing sales by serving more customers at the expense of adopting strategic human resource management strategies that will help in improving the overall tourism product quality from the customers'/tourists' perspective and generally help in creating and sustaining a competitive advantage. There were few managers who agreed that recruitment and selection, training and development, employee motivation and remuneration were observed in their hotels. This indicates that most firms in the tourism industry have not realized the benefits of strategic human resource management in the overall tourism product quality. This can be interpreted as one of the major cause of customers'/tourists' complaints, high staff turnover and the low performance of tourism businesses in the region. However, these aspects of strategic human resource management had positive effects on the tourism product quality as they get improved.

5.4 Recommendations for theory, policy and practice

The findings of this research support the equity theory that was advanced by Stacy Adams in that the hotel employees tend to compare the output-to-input in their respective hotels with the output-to-input of their colleagues in other hotels and perceive similarities and fairness. This is explained by the fact that employee motivation has been found to have significant effect on tourism product quality. However, there is need for hotels within North Rift region to explore and reinforce factors that contribute to employee motivation which might be specific to hotels.

The existing National Tourism Policy only states that the national government will promote training in colleges but does not address issues on recruitment of employees, employee development, motivation and remuneration. It is recommended that the Department of Tourism in the Ministry of East African Affairs, Commerce and Tourism review the existing National Tourism Policy and emphasize on strategic human resource management in tourism industry.

It is recommended that the Tourism Regulatory Authority which is the main tourism industry regulator ensure that all tourism establishments adopt strategic human resource management. The Tourism Regulatory Authority should organize regular county sensitization forums for the purpose of sharing with tourism stakeholders on the benefits of adopting strategic human resource management in all tourism organizations. Management of hotels should put more emphasis and resources on proper recruitment and selection, training and development, employee motivation and remuneration.

5.5 Recommendation for further research

This study focused on the hotel managers as the target population which was not exhaustive in establishing the effects of strategic human resource management on tourism product quality. A study needs to be conducted on the same topic but targeting the operative staff in the hotels and another one targeting the tourists in the respective hotels. There is need for further research on the effects of strategic human resource management on tourism product quality in other fields of tourism industry, focusing on museums, tour firms and attraction centers.

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APPENDICES
Appendix I: Manager's Questionnaire

INTRODUCTION

Dear respondent,

RE: REQUEST FOR YOUR PARTICIPATION IN MY RESEARCH PROPOSAL.

I am a post –graduate student in the school of business and economics, Moi University pursuing Masters in Business Management Degree. As part of fulfillment of the requirement of the degree, I am seeking information for my research study on: Effects of Strategic Human Resource Management on the Tourism Product Quality in Selected hotels in the North Rift.

I kindly request your cooperation in answering my questions or to fill in the attached questionnaire.

All your views will be treated with all the confidentiality it deserves and it will only be utilized for academic purposes.

Your cooperation will be highly appreciated

Machenge Dominic Mwenda

Part A: Basic information, (Tick appropriately)

1. Gender

Male

Female

Age

Below 25 years

26-30 years

31-35 years

36-40 years

Above 40

2. Level of education

Diploma	Degree	Masters	Others
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3. Working experience in the hotels

Below 3 years	4-6 years	7-9 years	Above 10 years
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Part B: Detailed information

The following sections requires your candid response against the statements made below; (SD-strongly disagree D-disagree N- neutral A- agree SA- strongly agree)

Please indicate your degree of agreement that the following items describe the hotels' strategic human resource management activities. Circle the most appropriate number with 1 = strongly disagree 2= disagree 3=neutral 4 = agree and 5 = strongly agree.

SECTION A: Information on recruitment and selection

	SD	D	N	A	SA
1) There is recruitment policy for the hotel	1	2	3	4	5
2) There is recruitment procedure for the hotel	1	2	3	4	5
3) Employees are recruited from around	1	2	3	4	5
4) Employees are recruited on merit	1	2	3	4	5
5) Promotions are done internally	1	2	3	4	5
6) Recruitments are frequent	1	2	3	4	5
7) Adverts are placed for the arising vacancies	1	2	3	4	5
8) There is a recruitment pannel for the hotel	1	2	3	4	5

SECTION B: Information on employees' training and development

	SD	D	N	A	SA
1) Employees are fully competent	1	2	3	4	5
2) Employees' training is given adequate attention	1	2	3	4	5
3) There is training policy for the employees of the hotel	1	2	3	4	5
4) Employees' skills are regularly developed	1	2	3	4	5

5) All employees are well trained	1	2	3	4	5
6) Top management is competent	1	2	3	4	5
7) Off-the house training opportunities are available to employees	1	2	3	4	5
8) Training opportunities are available to all employees	1	2	3	4	5
9) Employees' skills are market-driven	1	2	3	4	5
10) There is enough budgetary allocation for employees training	1	2	3	4	5

SECTION C: Information on employee motivation

Measure	Indicators	SD	D	N	A	SA	
Commitment	1) Employees are fully motivated	1	2	3	4	5	
	2)	3) Employees are committed to their work	1	2	3	4	5
		4) Employees participate in decision-making	1	2	3	4	5
		4)Employees are creative	1	2	3	4	5
		5)Employees are free to handle customer complaints	1	2	3	4	5
		6)Employees are strictly supervised	1	2	3	4	5
Welfare	1)Employees' welfare is catered for	1	2	3	4	5	
	2)Promotions are based on merit	1	2	3	4	5	

Regularity	1)Employees work in the hotel for many years	1	2	3	4	5
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SECTION D: Information on employee remuneration

	SD	D	N	A	SA
1) There is remuneration policy for the hotel	1	2	3	4	5
2) Employees are fairly remunerated	1	2	3	4	5
3) Employees' efforts is adequately rewarded	1	2	3	4	5
4) Each employee's salary/wages is known by other employees	1	2	3	4	5
5) Employees are paid on time	1	2	3	4	5
6) Salary/wages is increased annually	1	2	3	4	5

SECTION E: Information on tourism product quality

Measure	Indicators	SD	D	N	A	SA
Reliability	1)Employees always promise what is offered by your establishment	1	2	3	4	5
	2)Employees provide excellent service to customers	1	2	3	4	5
	3)Employees are able to provide service that exceeded customer expectations	1	2	3	4	5
	1)Employees are always willing to help customers	1	2	3	4	5

Responsiveness						
	2)Employees attend to customers promptly	1	2	3	4	5
	3)Employees have adequate knowledge on customers' needs	1	2	3	4	5
Assurance	1)Employees are competent in their work	1	2	3	4	5
	2)Employees are courteous to customers	1	2	3	4	5
	3)Employees are able to win customer confidence	1	2	3	4	5
	4)Employees are able to gain trust from customers	1	2	3	4	5
Empathy	1) Employees are caring to customers	1	2	3	4	5
	2)Employees attend to individual customers' needs	1	2	3	4	5
	1)There is well placed signpost to direct customers to your hotel	1	2	3	4	5

Tangibles						
	2)The compound is well kept	1	2	3	4	5
	3)The reception area is well kept	1	2	3	4	5
	4)Employees have clean branded uniforms	1	2	3	4	5
	5)Rooms are clean and well ventilated	1	2	3	4	5
	6)Beddings are clean and branded	1	2	3	4	5
	7)The restaurant is clean	1	2	3	4	5
	8)The kitchen is clean and well ventilated	1	2	3	4	5
	9)The hotel has well designed and informative brochures/website	1	2	3	4	5

**Appendix II: Descriptive Statistics of Recruitment and selection of the employees
in the hotels**

	Me an	Sta nda rd De viat ion	S k e w n e s s	Stan dard Kurt osis	SD		D		N		A		SA	
					F r e q u e n c y	%	F r e q u e n c y	%	F r e q u e n c y	%	F r e q u e n c y	%	F r e q u e n c y	%
Hotel Recruit ment Policy	3.04	1.219	- 0.38	-1.204	11	9	37	32.6	15	13.5	39	34.4	12	10.5
Hotel Recruit ment procedur e	3.61	0.983	- 0.72 6	-0.234	2	1.8	20	17.5	14	12.3	63	55.2	15	13.2
Empley es recruited from around	3.14	1.060	0.12 4	0.962	3	2.6	35	31.7	30	26.3	33	28.9	12	10.5
Empley es recruited on merit	3.69	0.989	- 0.72 7	-0.79	2	2.8	16	14.5	16	14.5	57	50.3	20	17.9
Promoti on done internall y	3.46	0.945	- 0.20 6	-0.922	0	0.0	23	20.4	28	24.8	49	43.2	13	11.6
Recruit ments are frequent	3.21	1.056	- 0.29 8	-0.925	5	4.6	30	26.5	22	19.4	48	42.3	8	7.2
Adverts are placed	2.41	1.236	0.60 4	-0.665	30	26. 7	39	34.9	18	15.9	17	15.0	8	7.5

for arising vacancies														
There is a recruitment panel for the hotel	2.68	1.318	0.419	- 0.1118	21	18. 8	45	39.7	9	7.9	25	21.9	13	11.7

Source: Survey Data, 2013

Appendix III: Training and development of the employees in the hotels

	Me an	S t a n d a r d D e v i a t i o n	Sk ew nes s	Ku rto sis	SD		D		N		A		SA	
					Fre qu enc y	%	Fre qu enc y	%	Fre que ncy	%	Fre que ncy	%	F r e q u e n c y	%
Employee s fully compet ent	3.65	0.8 52	- 0.216	- 0.510	0	0.0	11	9.6	35	30. 8	51	44.7	17	14. 9
Training given adequate attention	2.78	1.2 37	0.288	- 1.059	16	14. 7	42	36.9	17	14. 6	27	23.9	11	9.9
Training policy for the employee s	2.54	1.2 70	0.355	- 1.120	29	25. 4	36	31.6	15	13. 2	27	23.7	7	6.1
Skills regularly develope d	2.87	1.2 80	0.096	- 1.287	17	14. 9	39	34.2	11	9.7	36	31.6	11	9.6
Employee s well trained	3.02	0.9 41	0.416	- 0.349	2	1.8	34	29.8	47	41. 2	22	19.3	9	7.9
Top manage ment is	3.97	0.7 61	- 0.697	0.651	0	0.0	6	5.7	16	14. 5	66	57.9	25	21. 9

competent														
Off- the house training opportunities available	2.17	1.274	0.786	-0.644	47	41.7	30	26.5	12	10.5	18	15.8	6	5.5
Training opportunities available to all employees	2.33	1.430	0.617	-1.050	49	43.3	19	16.9	16	14.4	17	14.9	12	10.5
Employees skills market driven	3.22	0.853	0.084	-0.772	0	0.0	25	21.9	44	38.6	38	33.7	6	5.8
Adequate budgetary allocation for employees training	2.03	1.248	0.996	-0.098	55	48.8	22	19.8	19	16.9	9	7.9	7	6.6

Source: Survey Data, 2013

Appendix IV: Employee motivation in the hotels

Measure	Indicator	Mean	Standard Deviation	Skewness	Kurtosis	SD		D		N		A		SA
						Freq	%	Freq	%	Freq	%	Freq	%	
Commitment	Employees fully motivated	3.24	1.067	0.134	-1.163	1	0.5	36	31.0	27	23.2	35	32.3	15
	Employees committed to their work	3.62	1.008	-0.132	-1.055	0	0	18	15.8	33	28.9	37	32.5	26
	Employee participate in decision making	3.12	1.122	0.174	-1.188	3	2.7	42	36.8	21	18.4	34	29.8	14
	Employees are creative	3.43	1.001	-1.091	-0.851	1	3.8	21	20.6	32	24.8	37	34.6	16
	Employees handle custom	3.34	1.009	0.022	-0.931	1	1.9	26	22.9	34	29.9	36	31.6	15

	er compla ints													
	Emplo yees strictly supervi sed	3.4 8	0.9 45	- 0.07 51	- 0.0 57	3	3.8	17	15. 9	21	19. 4	58	51. 9	8
Welfare	Emplo yees Welfar e catered for	2.7 9	1.1 68	0.49 3	- 1.9 09	9	7.9	53	46. 7	15	13. 7	25	21. 9	11
	Promot ion based on merit	3.5 5	0.9 09	- 0.38 2	- 0.3 49	1	0.9	15	13. 7	31	27. 4	51	44. 7	14
Regular ity	Emplo yees work in one hotel for many years	2.8 3	1.0 64	0.62 0	- 0.8 13	3	2.7	56	49. 6	19	16. 9	25	22. 9	9

Source: Survey Data, 2013

Appendix V: Employee Remuneration in the Hotel

	Me an	Sta nd ard De via tio n	Sk ew nes s	Ku rto sis	SD		D		N		A		SA	
					F r e q u e n c y	%	Fre qu enc y	%	F r e q u e n c y	%	Fre que ncy	%	Fre qu enc y	%
There is remuneration policy for employees	2.83	1.203	0.275	-1.084	12	11.5	44	38.6	15	14.2	29	25.8	10	9.9
Employees are fairly remunerated	2.97	1.236	0.263	-1.213	8	8.0	45	39.5	13	14.5	28	24.7	15	13.3
Employees' effort adequately rewarded	2.93	1.261	0.279	-1.132	11	9.9	42	36.8	17	15.9	24	22.1	16	15.3
Each employee wage is known by the others	2.54	1.131	0.606	-0.617	16	15.0	53	46.8	13	12.4	22	19.3	6	6.5
Employees are paid in time	3.57	1.113	-0.227	-0.994	2	2.8	20	19.6	29	27.5	31	24.3	28	25.8
Salary/wage is increased annually	2.68	1.201	0.712	-0.613	11	9.6	55	49.2	14	13.3	16	15.2	13	12.7

Source: Survey Data, 2013

Appendix VI: Tourism product quality in the hotels

Measure	Indicator	Mean	Standard Deviation	Skewness	Kurtosis	SD		D		N		A	
						Frequency	%	Frequency	%	Frequency	%	Frequency	%
Reliability	Employees always promise what is offered by your establishment	3.60	0.829	-0.413	-0.345	0	0.0	13	12.4	29	26.4	56	50.6
	Employees provide excellent service to customers	3.88	0.825	-0.467	-0.171	0	0.0	7	6.8	24	21.6	56	49.7
	Employees are able to provide service that exceeds customer expectations	3.67	0.832	0.018	-0.640	0	0.0	7	7.3	42	36.9	44	38.9

Respo nsiven ess	Employee s are always willing to help customer s	4.19	0.86 1	- 0.883	0.13 1	0	0.0	6	5. 5	15	13. 5	44	3 8. 7
	Employee s attend to customer s promptly	4.227	0.87 0	- 1.222	0.99 2	0	0.0	8	7. 5	7	6.9	44	3 8. 8
	Employee s have adequate knowledg e on customer s' needs	3.81	0.87 2	- 0.533	- 0.23 7	0	0.0	11	9. 6	22	19. 7	57	5 0. 0
Assura nce	Employee s are competen t in their work	4.20	0.62 7	- 0.393	0.38 2	0	0.0	1	1. 9	10	9.1	67	5 8. 9
	Employee s are courteous to customer s	4.48	0.63 0	- 1.245	2.50 0	0	0.0	2	1. 8	2	1.8	48	4 2. 5
	Employee s are able to win customer confidenc e	4.34	0.64 9	- 0.662	0.38 0	0	0.0	1	1. 1	8	7.5	56	4 9. 2
	Employee s are able to gain trust from	4.26	0.67 8	- 0.716	0.80 3	0	0.0	2	1. 9	9	8.3	60	5 2. 9

	customers												
Empathy	Employees are caring to customers	4.43	0.532	-0.092	-1.228	0	0.0	0	0.0	2	2.2	60	52.9
	Employees attend to individual customer's needs	3.91	0.800	-0.803	0.638	0	0.0	9	8.9	14	12.7	67	58.8
Tangibles	There is well placed signpost to direct customers to your hotel	3.82	1.037	-0.957	0.290	3	2.8	15	13.6	9	7.9	58	50.9
	The compound is well kept	4.31	0.597	-0.482	0.830	0	0.0	1	0.9	5	4.4	66	57.9
	The reception area is well kept	4.19	0.745	-1.263	3.230	1	1.4	3	3.6	7	6.5	63	55.7
	Employees have clean branded uniforms	3.51	1.099	-0.389	-0.682	4	3.5	20	17.5	26	22.8	42	36.8
	Rooms are clean and well ventilated	4.34	0.592	-0.784	2.447	0	0.0	2	1.9	1	1.3	67	58.9
	Beddings are clean and branded	3.66	1.045	-0.293	0.882	1	0.9	17	14.9	29	25.7	37	33.7

	The restaurant is clean	4.42	0.679	-2.163	9.468	2	1.9	0	0.0	0	0.0	57	50.4
	The kitchen is clean and well ventilated	4.24	0.720	-1.692	6.195	2	1.8	1	0.9	4	3.5	68	59.6
	The hotel has well designed and informative brochures /website	3.50	1.135	-0.272	-0.982	3	2.7	24	21.4	24	21.4	37	32.6

Source: Survey Data, 2013