EMPLOYEE FACTORS AND PERCEIVED SERVICE QUALITY IN THE HOTEL INDUSTRY IN NAIROBI, KENYA

BY

NJOROGE WINFRED WANJIKU

A research project report submitted in partial fulfillment of the requirements for the award of degree of Master of Business Administration of the University of Nairobi.

2013
DECLARATION

I hereby declare that this research project is my own work and effort, and that it has not been submitted anywhere for any award.

Signature: ________________________ Date: ______________

NAME: NJOROGE WINFRED WANJIKU
Registration No: D61/76122/2012

This research project has been submitted for examination with my approval as the University Supervisor.

SUPERVISOR:

Signature: ________________________ Date: ______________

NAME: DR. OKWIRI, OWINO A.
Department of Management Science
School of Business
DEDICATION

This project is dedicated to all the people committed to providing quality services in the services sector in Kenya.
ACKNOWLEDGEMENTS

In a vast undertaking of this nature, it is not possible to acknowledge the contribution of all. However, the temptation to acknowledge the role of the following is irresistible.

First, is to the Almighty God for seeing me through the completion of this project.

Special tribute goes to Dr. Okwiri, Owino A of Department of Management Science, University of Nairobi, for his tireless efforts in guiding, supervising and correcting this work throughout the entire project.

I wish to convey sincere gratitude to all key informants and other respondents who gave me permission and spared time to participate in the study.

Special thanks to my fellow students, relatives and friends who assisted me in one way or the other to make this work a success.

I am deeply grateful to my dear husband Michael Kangara Gakumo for your support, prayers, flexibility, understanding and inspiration to me while working on this project.

To my little boy Austin for the play time you sacrificed to allow mum some time to study.

May God bless you all.
TABLE OF CONTENTS

DECLARATION........................................................................................................................................... ii
DEDICATION............................................................................................................................................... iii
ACKNOWLEDGEMENTS ............................................................................................................................ iv
TABLE OF CONTENTS ............................................................................................................................... v
LIST OF TABLES ......................................................................................................................................... vii
ABSTRACT ................................................................................................................................................ viii

CHAPTER ONE: INTRODUCTION .............................................................................................................. 1
  1.1 Background of the Study .................................................................................................................... 1
    1.1.1 Perceived Service Quality ........................................................................................................... 1
    1.1.2 Employees Factors in Service Quality ......................................................................................... 3
    1.1.3 The Hotel Sector in Kenya .......................................................................................................... 4
  1.2 Statement of the Problem .................................................................................................................. 5
  1.3 Research Objectives ........................................................................................................................ 7
  1.4 Value of the Study ............................................................................................................................. 7

CHAPTER TWO: LITERATURE REVIEW .................................................................................................... 9
  2.1 Introduction ......................................................................................................................................... 9
  2.2 Employee Factors in Service Quality ............................................................................................. 9
  2.3 Employee Factors and Perceived Service Quality .......................................................................... 11
  2.4 Summary and Conceptual Framework ............................................................................................ 13

CHAPTER THREE: RESEARCH METHODOLOGY ................................................................................... 14
  3.1 Introduction ......................................................................................................................................... 14
  3.2 Research Design ................................................................................................................................ 14
  3.3 Target Population ............................................................................................................................ 15
  3.4 Sample Design and Sample Size .................................................................................................... 15
  3.5 Data Collection .................................................................................................................................. 15
  3.6 Data Analysis ..................................................................................................................................... 16

CHAPTER FOUR: RESULTS, DATA ANALYSIS AND DISCUSSION ...................................................... 18
  4.1 Introduction ......................................................................................................................................... 18
  4.2 Results ............................................................................................................................................... 18
  4.3 Analysis and Findings ........................................................................................................................ 30
**LIST OF TABLES**

Table 4.1: Response Rate ........................................................................................................... 18
Table 4.2: Employees turnover .................................................................................................. 18
Table 4.3: Motivation Applied by Organizations by Ranking ..................................................... 19
Table 4.4: Method Used For Behavior Change in Ranking Order .............................................. 21
Table 4.5: Measurement of Quality of Services ........................................................................ 22
Table 4.6: Ways of obtaining customer feedback ...................................................................... 23
Table 4.7: Statements with regard to customer feedback ............................................................. 24
Table 4.8: Customers’ Measure of the quality of services offered by hotels .............................. 25
Table 4.9: Importance of Employees Related issues on service delivery ................................. 27
Table 4.10: Respondents rating on Quality of Services in Hotels ............................................ 28
Table 4.11: Chi-Square Tests ..................................................................................................... 29
ABSTRACT

Customer satisfaction in services involves a customer’s comparison of expected service quality and perceived service quality. Perceived service quality by the customer is not necessarily the same as the quality of service actually delivered. The growth in importance of service quality has been influenced greatly by the changing nature of the world economies and the customers changing needs, tastes and preferences. The study was guided by two research objectives including: establishing the employee related factors in perceived service quality and determining the effect of the employee related factors on perceived service quality.

The study used descriptive research design. The study was carried out in Nairobi because it’s an academic study and due to limitations of time and other resources. The sample comprised 70 hotels and 140 customers. The study collected primary data using questionnaires. Two sets of questionnaires were used. The collected data was analyzed using measures of central tendency including mean, standard deviation and frequencies. The study conducted a Chi-square test to establish the effect of employee related factors on perceived service quality in Hotels. The data was presented using tables.

This study concludes that employee related factors affected perceived service quality in Hotels. The study further concludes that employees’ motivation aspects like salaries and allowances, personal development initiatives and fringe benefits greatly affect perceived service quality while promotions/demotions only affect perceived service quality to a limited extent. The study recommends that hotels take employee related factors like motivation seriously if they are to deliver high quality services to their customers.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Businesses world over, whether manufacturing or services aim at delivering core performance objectives namely; quality, time, cost and flexibility. Harrington (2000) defines quality as “Meeting or exceeding customer’s expectation at a price that represents value to them”. Quality in products and services has increasingly become a pivotal concern nowadays. While quality in tangible goods can be measured by marketers, quality in services is complex due to the intangibility of the output.

Problems in service quality measurement arise from a lack of clear and measurable parameters for the determination of quality. Since the services are performances, ideas or concepts rather than objects, they cannot be seen in the same way as products. They are intangible. Furthermore, it is impossible to preserve services, which raises the issue of harmonizing offer and demand for services. The same service can be provided by different persons in an institution, and each of them might provide it in their own way so that heterogeneity also counts among characteristics of services that differentiate them from products (Grzinic, 2007).

1.1.1 Perceived Service Quality

Customer perception has been defined as a customer’s overall impression of the relative inferiority/superiority of an organization and its services (Bitner & Hubbert, 1994). This perception is influenced by many factors such as employees’ performance, facilities,
price of products and quality of service offered among other factors (Gagliano & Hathcote, 1994; Naylor & Frank, 2000; Shaw & Haynes, 2004).

Perceived service quality by the customer is not necessarily the same as the quality of service actually delivered. Quality of service delivered is an internal quality concept measured by comparing what is delivered with the standards set by the organization. It is also not the same as customer satisfaction but customer satisfaction can be derived from perceived service quality. Expectations are influenced by word of mouth, market communications, customer needs and customer learning (Gronroos 1988). Customer satisfaction involves a customer’s comparison of expected service quality and perceived service quality (Swanson and Paris, 2003).

Customer retention and loyalty are significantly influenced by perceived service quality (Boshoff and Gray, 2004). Through this, profitability improves and perceived service quality rises (Irving and Dickson, 2004). Sohail (2003) has suggested that growth of an organization can be achieved through perceived service quality. Perez et al. (2007) observed that service quality has become a critical factor in enabling firms to achieve a differential advantage over their competitors and thus, it makes a significant contribution to profitability and productivity.

Parasuraman et al (1988) identified two major payoffs of quality; Quality creates true customers and that it leads to efficiencies, and, excellent service pays off because it creates true customers who are like annuities who keep pumping revenues into an organization. Quality improvements lead to operational efficiencies beyond those associated with scale economies. This is because; quality improvements lower defects,
service errors and customer complaints. Customer satisfaction depends on the quality of service customers’ receive and how well this matches their expectations. In their studies, Demirel, Yoldas and Divanoglu (2009) found a positive and significant relationship between customers’ perception of service quality and their willingness to recommend the company. But perception factor influences both perceived service quality and the quality of services delivered. The gap model (Parasuraman et al, 1985) suggests that consumers’ quality perceptions are influenced by a series of four distinct gaps occurring in organizations. These are the gap between consumer expectation and management perception, gap between management perception and service quality specification, gap between service quality specification and service delivery, and, gap between service delivery and external communication. All these have a summative effect that lead to the fifth gap, the gap between expected service and perceived service. These gaps relate to the employee factors within the organization.

1.1.2 Employees Factors in Service Quality

A customer has his expectations through word of mouth, personal needs and previous use of the service. When the management does not correctly perceive what the customer wants or needs and when the management or service provider might correctly perceive what the customer wants, but may not set a performance standard, there’s a gap in specifications. There may be a gap between service quality specification and service delivery that may arise due to poor training, lack of capacity or unwillingness to meet the set service standard. (Parasuraman et al, 1985)

Employees’ factor is also significant in the three elements of service quality as defined in the Gronroos model. The model describes three aspects against which quality is evaluated...
by the customer: technical, functional and image aspects of service quality. The technical aspect is evaluated in terms of what the customer receives after interacting with the service provider. This would be the service provider’s employee. Functional quality is seen in the actions of the employee towards delivering the service as there is high customer contact and hence a possibility to influence customer’s perceived service quality of the service. The actions of the employee could be in terms of the approach, marketing activities, the ability of the employee to listen to the customer and to give feedback or advice to the customer etc. Functional quality is evaluated on the basis of how the service was delivered and may compensate for temporary problems with technical quality. The interaction of both the functional and the technical aspects of service quality form an image on the customer about the organization (Gronroos, 1988). This employee influence is targeted in this context of the Hotel industry in Kenya.

1.1.3 The Hotel Sector in Kenya

As economies grow, they tend to be service oriented. A report compiled by the World Bank and the Export Promotion Council indicates that Kenya is becoming a service driven economy. Globally, the service sector accounts for 20 per cent of the economy, while the industry in Kenya currently stands at 62 per cent of GDP, with a corresponding over 68 per cent of employment creation with major sectors like transport, communication, tourism and financial services taking the lead. According to Kenya National bureau of statistics second quarter 2012/2013 GDP release, services account surplus increased by 11.6% mainly due to increased foreign exchange receipts from tourism, transportation, communication and financial services.
The hotels play a central role in the country’s tourism industry, yet the Coast lacks five-star hotels. Only a few in Nairobi have the coveted rating. Internationally, the classification of hotels and restaurants creates uniformity in the industry providing common elements in every class of hotel and restaurant that their clients should expect. The hotel business is regulated by two Acts of parliament namely: Hotels and restaurants Act (Cap 494) and the tourist Licensing Act (Cap 381). This is done through Hotels and restaurants Authority with an aim of imposing a levy for training persons to be employed in hotels and restaurants. http://www.tourism.go.ke/ministry.nsf/2013/

An attempt to classify hotels in 2011 using the East African community guidelines failed amid claims of bribery and in-fighting between government officials and hoteliers. The classification was intended to rank hotels according to the quality of services offered and their standards — ranging from one star to five stars. The most recent classification was carried out in 2003, and hoteliers feel that Kenya’s standing as a tourist destination is reduced. According to Ms Marianne Jordan, the Kenya Tourism Development Corporation managing director, the standards of tourist hotels have dropped, and thus adversely influencing the type of tourists that are coming to Kenya. http://www.tourism.go.ke/ministry.nsf/2013/

Key issues in the Hotel industry are: cultural factors affecting employee behavior, competition from different tourism destinations and changed customer demands and satisfaction.

1.2 Statement of the Problem

The Gap model of service quality explains the relationship between managers’ perception and actions by employees. Managers may perceive the needs of the customer differently.
Translation of perceptions into service quality specifications by the managers will lead to actions by the employees that affect the perceived quality of service by the consumer. This may come about due to poor external communication to the consumer, lack of relevant customer service training, low motivation and low job satisfaction (Parasuraman et al, 1985). Taylor (2002) suggests that customers yearn for that personal touch and humane encounters with the employees during service.

A perception survey of African banks by KPMG (2013) showed that customers overwhelmingly viewed staff friendliness as the most important factor influencing their satisfaction with their bank. Most customers were dissatisfied with staff’s knowledge of banking products and the speed of addressing customer complaints (http://www.kpmg.com/2013/africabanking).

A study carried out by Kattara, et al (2008) concluded that employees' behaviors greatly affect overall customer satisfaction regardless of customers' gender, nationality, and purpose of visit, number of visits and length of stay. A research carried out by Gounaris & Boukis (2013) found that employee job satisfaction influences a customer's perception of quality, customer satisfaction and repeat visits.

The Hotel industry is faced with similar employee related challenges including low motivation, lack of reliability, empathy and assurance and low responsiveness to customer requests (Hanzaee and Mirvaisi, 2011). However, many hotels may not be able to achieve quality due to competition in the industry and failure to address all employee related issues like job satisfaction, skills/ training, employee’s behavior and attitudes and low motivation of employees affecting proper customer communication and hence satisfaction (Kimungu & Maringa, 2010).
Managers in the hotel businesses have to focus on delivering quality to customers in a cost effective manner to ensure they remain competitive. How the quality delivered is perceived by customers is influenced by the employees and their attitudes and actions. Research on service perception by customers has mainly focused on employee’s views. This study sought customers and managers views on the question: what impact did employees have on perceived service quality?

1.3 Research Objectives

To answer the questions, the study was to achieve the following objectives:

1. To establish the employee related factors in perceived service quality
2. To determine the effect of the employee related factors on perceived service quality.

1.4 Value of the Study

The research sought to establish the role that employees play in ensuring improved perceived service quality and hence customer satisfaction and consequent retention. The study is of benefit the academia, the managers and business owners in the vibrant sector. The study came up with a solution for employers in the hotel industry as pertains to customer satisfaction feedback that is employee related and advises them how to deal with the employee aspect of service quality to ensure sustainable perceived service quality, customer satisfaction and hence customer retention. It also provides answers as to why there’s high turnover in the sector and what employers can do to safeguard quality while at the same time coming up with competitive ways of retaining their highly skilled/valued human resource.
The information from the study enables understanding of customer perception of service quality. The study forms a basis for research on other sub-sectors of the services sector in Kenya which can be replicated in other geographical regions. The study also contributes refreshing insights useful for relationship marketing.

This study provides valuable insight to managers regarding the customer service skills to equip their employees within their ongoing effort to improve customer communication, satisfaction and hence retention. Hence, the result of this research can be utilized as a foundation to build service strategy.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed studies related to what has been researched or written by others. It first covered employee related factors in service quality, and then reviewed literature on the effect of the employee related factors on perceived service quality. It then gave a review summary and conceptual framework for the study.

2.2 Employee Factors in Service Quality.

A study by Sharma et al, (2011) on Chinese and Indian Insurance Industry emphasized the importance of the employee in providing services. The research found that customers continue to value person-to-person contact in both the countries. Despite the changing environment, customers still assess service quality primarily in terms of the personal support they receive from employees and the benefits they get from such long-term relationships. These benefits include first-rate service, personal recognition and friendly interactions, and a sense of confidence and trust.

A perception survey of African banks by KPMG (2013) showed that customers showed staff friendliness as the most important factor influencing their satisfaction with their bank. Three in ten customers said they were very satisfied with their bank staff’s knowledge of banking products and only ten percent indicated that they were extremely satisfied that their complaints were being promptly addressed.

A study by Wanjau et al (2012) in the Kenyan health sector revealed that low employee’s capacity affects delivery of service quality to patients in public health sector affecting health service quality perceptions, patient satisfaction and loyalty. The study tied
successful recruitment and retention of staff to empowerment of staff and recommended that staff be treated as full partners in the hospital operation and given opportunities for advancement.

A study by Kamau and Waudo (2012) found that there is a relationship between the skills expected by the hospitality industry employers’ and the set hotels’ quality standards. Skills with significant relationship like customer care, multi-skills, communication and understanding the level of service were expected in any hotel irrespective of its classification. The study found a notable difference between managers and employees’ expectation. The biggest difference in the expectations seen was that many employees think that the industry expects them to be competent in communication skills, specific technical skills, computer, good work habits, customer service and self-discipline.

These findings are consistent with those of Kimungu & Maringa (2010) that employee factors affect service quality. Kimungu & Maringa study however focuses on employee turnover and how it relates to customer satisfaction in services and competitiveness of an establishment. The study revealed that low job satisfaction, unfavorable working conditions, and slow career advancement were major factors influencing employee turnover which interfered with internalization of standards by the employees resulting to lower quality of service and reduced customer satisfaction thus making an establishment less competitive. The respondents indicated that most customers normally preferred being served by the same person every time they visited an establishment. The behavior and attitude of both management and employees were found to play a role in employee turnover. The study found out that many managers in the Kenyan hotel industry viewed an employee’s experience as having worth when reflecting a diversity of other past
employers and this influenced employees’ behavior and attitudes into changing jobs frequently in order to gain the much needed “experience”. According to the study, lack of proper orientation and training made it difficult for new recruits to internalize establishment’s service standards which are key foundation for quality service.

A study by Kuria et al (2011) agrees with Kimungu & Maringa (2010) that to achieve quality service, establishments need a relatively stable labour force to allow internalization of service standards. The study recommended hotels should initiate employee retention programmes as human capital is the most valuable asset in all organizations and review the employees’ welfare conditions such as introducing flexible work hours to the employees in order to balance individual work and personal life among other incentives. The two studies concluded that high levels of employee turnover will negatively impact the quality of service and the desired competitiveness of an establishment.

2.3 Employee Factors and Perceived Service Quality

Mukherjee & Malhotra (2006) examined the effects of role clarity on employee perceived service quality in call centers of a major commercial bank. Their study revealed that role clarity plays a critical role in explaining employee perceptions of service quality. Further, the research findings indicate that feedback, participation and team support significantly influence role clarity, which in turn influences job satisfaction and organizational commitment. The key antecedents of role clarity considered here were feedback, autonomy, participation, supervisory consideration, and team support; while key consequences were organizational commitment, job satisfaction and service quality. An
internal marketing approach was adopted and all variables were measured from the frontline employee's perspective.

Hanzaee and Mirvaisi, (2011) in their study on customer satisfaction in the Iran hotel industry concluded that, all dimensions of customer image and service quality perception have significant relationships with customer satisfaction. The study showed higher t-values hence a stronger relationship between functional and both image and service perception (12/36 & 8/13) than technical and both image and service quality perception (10/80 & 4/58). The employee related functional aspects in the study included reliability, empathy, responsiveness and assurance.

A study by Kimani, Kagira, & Kendi, (2011) on business students’ perception of service quality appears to support Gronroos (1988) to the extent that students consider technical quality in the education they get and functional quality in the administrative and student support they receive from the employees of the universities and this influences their image of the institution. The study ranked administrative aspect which is concerned with such elements as keeping accurate records, providing prompt service, courtesy, providing individualized attention, showing sincere interest to students, proper communication and having good knowledge of systems and procedures as the most important determinant of perceived service quality. The study was limited because it measured only business students’ perceptions and left out all the other students taking other degree programmes hence limiting generalization of the findings across the universities.
2.4 Summary and Conceptual Framework.

The studies seem to focus on interviewing employees. However, real customer focus requires a study that gets the customers’ perception of services that they receive and management’s views on customer feedback. Kimungu & Maringa have set out employee related factors to include orientation and training, motivation and behavior and attitudes. Mukherjee & Malhotra (2006) include role clarity as a factor affecting perceived service quality. Wanjau et al (2012) exemplifies empowerment of staff. The studies have explored the factors and showed how these factors affect service delivery and service quality perception. These can be presented in the conceptual framework in the figure 1 below.

Figure 1. Conceptual framework

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee related factors:</strong></td>
<td>Perceived service quality</td>
</tr>
<tr>
<td>- Motivation</td>
<td></td>
</tr>
<tr>
<td>- Employee management and skills development approaches</td>
<td></td>
</tr>
<tr>
<td>- Behavior &amp; attitudes</td>
<td></td>
</tr>
<tr>
<td>- Role clarity</td>
<td></td>
</tr>
</tbody>
</table>

The conceptual framework is intended to develop awareness and understanding of the situation under scrutiny and communicate this effectively. According to Mugenda and Mugenda, (2003), conceptual framework involves forming ideas about relationships between variables in the study and showing these relationships diagrammatically.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter outlines the procedure that was followed in carrying out the study. It describes and explains the research process that was used to collect and analyze data. The chapter is thus structured into research design, target population, sample size and sampling techniques, data collection, data analysis and presentation.

3.2 Research Design
In this study descriptive research was used. According to Mugenda and Mugenda (2003), a descriptive research determines and reports the way things are and attempts to describe things as possible behavior, attitudes, values and characteristics. The design attempts to describe or define a subject, often by creating a profile of a group of problems, people or events through collection of data and tabulation of the frequencies on research variables or their interaction (Cooper and Schindler, 2006). It is a statistical, cross-sectional study in the sector to allow for generalization of the findings across sectors.

The method was appropriate for the study because it assisted the researcher to produce statistical information on the effect of employees on perceived service quality in the hotel businesses. It took the form of a correlation study to show the extent of the relationship between employee factors and perceived service quality in hotel businesses and allowed for prudent judgmental comparison of the variables involved. The study assumed controlled influence of other variables that affect service quality including information technology.
3.3 Target Population

The study population consisted of 453 hotel businesses in Nairobi as captured in the official yellow pages (August 2013) and customers that visit those hotels. The study was carried out in Nairobi because it’s an academic study and due to limitations of time and other resources. This was also because Nairobi is cosmopolitan.

The study was restricted to hotels employing more than 20 employees because such businesses were likely to have proper organizational structures and professionalism in their operations because of the issues involved.

3.4 Sample Design and Sample Size

For this study 70 hotels formed the sample size based on information obtained from the official yellow pages (August, 2013) and 140 customers, two customers from each selected hotel. A sample size of between 10 to 30% is sufficient to represent a population (Mugenda & Mugenda 2003). Simple random sampling technique was used to select the hotels to be sampled. The method involved arrangement of all the hotels in an excel sheet in an alphabetical order then numbering them. The study then selected every fourth hotel in an increasing manner. Convenient sampling was used to select the customers in the hotels that formed the sample.

3.5 Data Collection

Primary data was collected and used in the study using questionnaires administered to the managers responsible for operations in the hotels and two customers in the selected hotels. Kothari C.R, (2004) states that a questionnaire consists of a number of questions printed and typed in a definite order on a form or set of forms. There were hence two
different questionnaires. Section one focused on employee related factors and quality while section two focused on employee related factors in quality perception. The questionnaire included both open and close ended questions. The close-ended questions provided more structured responses while open-ended questions were used to test the rating of various dimensions.

For actual services delivered, data was collected relating to the managers’ perception of their relative performance against given quality measures as compared to other firms. As for the perceived service quality, data was collected from the managers on the extent of repeat business, positive comments and reports and customer feedback data. Customers also gave their perception of the kind of services they received and their views on what they expected from such hotels. For employee role, data was collected based on the variables in the reviewed literature.

The researcher personally administered the questionnaires and collected the filled in questionnaire before leaving each of the selected respondents. The questionnaire were pretested using some population elements to ensure that it was easily understood and to check if there were any obvious problems with the length, sequencing of questions or sensitive items in it.

3.6 Data Analysis

Data was analyzed using both qualitative and quantitative methods. Qualitative data was analyzed manually by first summarizing the information gathered, followed by categorization and coding into emerging themes and presenting in a narrative form. The
results were presented in terms of percentages, frequencies and in figures and tables and a brief explanation of each given. Likert scale will be used for the data.

Quantitative data was organized, coded, and standardized then descriptive statistics was used to analyze aided by statistical package for social scientists (SPSS), Robson, (2002). Descriptive analysis was carried out to provide simple summaries about the sample and the measures e.g. the distribution, the central tendency and the dispersion. Tables were used to present the data. Inferential statistics were then used to establish the effects of employee factors on perceived service quality and to make inferences from the data. A hypothesis testing was done using chi-square test which was used to establish the effects of employee factors on perceived service quality and to make inferences from the data.

The hypothesis tested by the study included:

**Null:** Employee related factors have no effect on perceived service quality in Hotels.

**Alternate:** Employees related factors have effect on perceived service quality in Hotels.

On extracting the chi-square statistics, the researcher looked at the significance value. The study was tested at 95% confidence level and 5% significant level. If the significance value obtained was less than the critical value (α) set, then the null hypothesis was rejected otherwise it was accepted.
CHAPTER FOUR: RESULTS, DATA ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents results, data analysis and finding of the study as set out in the research methodology.

4.2 Results

The table 4.1 summarizes the response rate achieved by the study.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th></th>
<th>Targeted Respondents</th>
<th>Respondents</th>
<th>% of the total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>70</td>
<td>60</td>
<td>85.7</td>
</tr>
<tr>
<td>Managers</td>
<td>140</td>
<td>113</td>
<td>80.7</td>
</tr>
<tr>
<td>Total</td>
<td>210</td>
<td>173</td>
<td>82.4</td>
</tr>
</tbody>
</table>

These response rates were excellent and representative and conform to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

4.2.1 Employee Related Factors

The respondents were asked to indicate the percentage of the employees that had left their organizations in the last one year. The findings were as presented in the table 4.2 below.

Table 4.2: Employees turnover

<table>
<thead>
<tr>
<th></th>
<th>Number in Category</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Turnover (More than 10%)</td>
<td>6</td>
<td>10.0</td>
</tr>
<tr>
<td>Medium Turnover (5-10%)</td>
<td>16</td>
<td>26.7</td>
</tr>
<tr>
<td>Low Turnover (Less than 5%)</td>
<td>38</td>
<td>63.3</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

From the findings, majority (63.3%) of the managers indicated that less than 5% of the employees had left their organizations in the last one year, 26.7% indicated more than 5% and less than 10% of the employees while 10.0% indicated more than 10%. These
findings show that a number of employees have changed their employers within the past one year. As employees leave, they leave with the skills and knowledge gained while working with the organization. To hire a new employee and equip them with the experience and skills that employees who have left possessed is an expensive affair hence need for the firms to manage their human resources turnover well. These findings are consistent with those of Kimungu & Maringa (2010) that to achieve quality service, establishments need a relatively stable labour force to allow internalization of service standards and that high levels of employee turnover will negatively impact the quality of service and the desired competitiveness of an establishment.

Respondents were asked to indicate the extent to which their organizations applied different motivators in their organization. The motivations were ranked in categories whereby >70% was categorized as High; 41-69% was categorized as medium while below 40% was categorized as Low.

Table 4.3: Motivation Applied by Organizations by Ranking

<table>
<thead>
<tr>
<th>Motivator</th>
<th>Percentage</th>
<th>Rank Position</th>
<th>Category (High, Medium, Low)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Allowances</td>
<td>80</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td>Personal development initiatives like training, further education</td>
<td>53.3</td>
<td>2</td>
<td>Medium</td>
</tr>
<tr>
<td>Fringe benefits like medical cover, bonuses, paid for holidays</td>
<td>53.3</td>
<td>2</td>
<td>Medium</td>
</tr>
<tr>
<td>Promotions/ Demotions</td>
<td>40</td>
<td>4</td>
<td>Low</td>
</tr>
<tr>
<td>Job security</td>
<td>33.3</td>
<td>5</td>
<td>Low</td>
</tr>
</tbody>
</table>

From the data findings, it can be established that salaries and allowances were ranked as high motivator applied by the hotels. These findings show that the management of
restaurants and hotels used salaries and allowances as a motivator for its employees to a
great extent. By offering competitive salaries and allowances, employees are able to lead
a comfortable life supported by their remunerations

The study findings established Personal development initiatives like training, further
education, Fringe benefits like medical cover, bonuses, paid for holidays and Promotions/
Demotions were ranked moderate. This information shows that a number of organizations
had initiatives like trainings and further education for employees. The findings further
show that not only did employees value monetary remuneration, they also valued self
development.

From the study findings, Job security was ranked low. These findings show that the
organizations in the hotel industry did not guarantee employees of job security. This
could explain the reason for high exits among its staff. Employees without job security
are less productive as they know that any time their job could end hence and are always
seeking other jobs elsewhere where they can be assured of job security.

The study findings also show that the hotels used promotions and demotion as a way of
motivating their employees to some extent. However, this was not used more often as
indicated by a low percentage (40%) of respondents who identified with its application.
The findings also show that these organization made use of fringe benefits to a large
extent as supported by 53.3% of the respondents with a medium ranking. This implied
that the practice of offering fringe benefits like medical cover, bonuses and paid for
holidays to the employees was used as a way in which the employees felt appreciated.
Table 4.4: Method Used For Behavior Change in Ranking Order

<table>
<thead>
<tr>
<th>Methods</th>
<th>Percentage</th>
<th>Rank</th>
<th>Category(High, Medium, Low)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgement/letter of commendation</td>
<td>83.3</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td>Team building</td>
<td>70</td>
<td>2</td>
<td>Medium</td>
</tr>
<tr>
<td>Mentorship Programs</td>
<td>63.3</td>
<td>3</td>
<td>Medium</td>
</tr>
<tr>
<td>Guidance and counseling</td>
<td>60</td>
<td>4</td>
<td>Medium</td>
</tr>
<tr>
<td>Offering rewards</td>
<td>60</td>
<td>4</td>
<td>Low</td>
</tr>
<tr>
<td>Coaching</td>
<td>50</td>
<td>6</td>
<td>Low</td>
</tr>
<tr>
<td>Punishment</td>
<td>36.7</td>
<td>7</td>
<td>Low</td>
</tr>
</tbody>
</table>

The study asked the respondents on the methods used by the hotels for influencing behavior change. The methods were ranked in categories whereby >70% was categorized as High; 60-70% was categorized as medium while below 60% was categorized as Low.

From the study findings, the respondents categorized acknowledgement/letter of commendation as high. From the findings obtained, it implied that acknowledgement/Letter of commendation was used by most of the hotels hence it shows that it could have been extremely useful in influencing employees staffs’ behavior and attitude. From the study findings, the respondents categorized team building, mentorship, programs, guidance and counseling and offering rewards as medium as they fall in the category of 60-70%. As per these findings, most of the hotels adopted team building implying that team building played key role in influencing staffs’ behavior and attitude. The findings also implied that staffs’ behavior and attitude played a key role in influencing staffs’ behavior and attitude hence leading to their vast adoption in most hotels and that mentorship programs influenced staffs’ behavior and attitude. The study findings further implied that rewarding staff played a role in influencing staffs’ behavior and attitude.
From the study findings, the respondents categorized Punishment and Coaching as low as they were in the category of below 60%. This implied that punishment was not adopted in most of the hotels as a way of influencing their staffs’ behavior and attitude. Kattara, et al (2008) emphasized the effect of employees' behavior on overall customer satisfaction regardless of customers' gender, nationality, and purpose of visit, number of visits and length of stay. This study shows the hotel industry recognizes this and that most hotels employ several ways of influencing employee behavior including team building, issuing letters of commendation, coaching, mentorship programs and offering rewards among others.

4.2.2 Measurement of Quality of Services

<table>
<thead>
<tr>
<th>Methods</th>
<th>Percentage</th>
<th>Rank Position</th>
<th>Category (High, Medium, Low)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking on number of customer complaints</td>
<td>80</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td>Conducting customer satisfaction survey</td>
<td>66.7</td>
<td>2</td>
<td>Medium</td>
</tr>
<tr>
<td>Targets Setting</td>
<td>65</td>
<td>3</td>
<td>Medium</td>
</tr>
<tr>
<td>From Exit Interviews with Customers</td>
<td>65</td>
<td>3</td>
<td>Medium</td>
</tr>
<tr>
<td>checking on the number of customer complements</td>
<td>60</td>
<td>5</td>
<td>Medium</td>
</tr>
<tr>
<td>Checking on Repeat Business by Customers</td>
<td>60</td>
<td>5</td>
<td>Medium</td>
</tr>
<tr>
<td>Through Setting Dimensions</td>
<td>46.7</td>
<td>7</td>
<td>Low</td>
</tr>
</tbody>
</table>

The study sought to find out whether the firms measured quality of services rendered to customer through setting targets. The measurements of quality of services were ranked in categories whereby >70% was categorized as high; 60-69% was categorized as medium while below 60% was categorized as Low as the percentage was greater than 70%. From the data findings, measurement of quality of services through checking on number of
customer complaints was categorized as high. Measurement of quality of services through conducting customer satisfaction survey, targets setting, from exit interviews with customers, checking on the number of customer complements and checking on repeat business by customers were categorized as medium by the respondents while measurement of quality of services through Setting dimensions was categorized as low by the respondents.

4.2.3 Ways of obtaining information on quality of services offered

Respondents were asked to indicate the extent to which their hotels applied different ways of obtaining customer feedback. The different ways of obtaining customer feedback were ranked in categories whereby ≥70% was categorized as High; 41-69% was categorized as medium while below 40% was categorized as Low.

The findings are presented in the table below.

**Table 4.6: Ways of obtaining customer feedback**

<table>
<thead>
<tr>
<th>Ways</th>
<th>Percent</th>
<th>Ranking</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asking them when they come back</td>
<td>70.0</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td>Use of Feedback Forms</td>
<td>31.7</td>
<td>2</td>
<td>Low</td>
</tr>
<tr>
<td>They tell our employees</td>
<td>30.0</td>
<td>3</td>
<td>Low</td>
</tr>
<tr>
<td>They write to hotels</td>
<td>23.3</td>
<td>4</td>
<td>Low</td>
</tr>
</tbody>
</table>

From the data findings, 70.0% of the respondents indicated that they obtained information on how their customers felt about their services when these customers come back. This was ranked as the highest mode of obtaining customer feedback.

Use of feedback forms, telling hotel employees and writing to hotels were ranked low as evidenced by the low percentage of the respondents indicating their use (31.7%, 30% and
23.3% respectively). These findings show that most of the hotels did not collect customer feedback using these means.

4.2.4. Customer feedback

Table 4.7: Statements with regard to customer feedback

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repeat business has been overwhelming</td>
<td>3.8333</td>
<td>1.27780</td>
</tr>
<tr>
<td>Employees have reported positive response from customers they serve</td>
<td>4.4000</td>
<td>.71781</td>
</tr>
<tr>
<td>We have received positive reports from our customers</td>
<td>4.0667</td>
<td>1.17699</td>
</tr>
<tr>
<td>Customers feedback has been positive</td>
<td>4.2333</td>
<td>1.03115</td>
</tr>
</tbody>
</table>

The study sought to find out the extent to which the respondents agreed with the statement that repeat business had been overwhelming from the data findings. The respondents indicated that it was somewhat true that repeat business had been overwhelming as shown by a mean of 3.8333. On the statement that employees had reported positive response from customers they served the respondents indicated that it was somewhat true that employees had reported positive response from customers they served as shown by a mean of 4.4000. On the statement that they had received positive reports from their customers the respondents indicated that it was somewhat true that they had received positive reports from their customers as indicated by a mean of 4.0667. On the extent to which the respondents agreed with the statement that customers’ feedback had been positive the respondents indicated that it was somewhat true that customers’ feedback had been positive as indicated by a mean of 4.2333.
4.2.5 Customers’ Measure of the Quality of Services Offered by Hotels

The study sought to find out the factors against which evaluate the quality of services offered by hotels. Table 4.13 illustrates the findings. The response was on a five point likert scale (1-5). The means were computed and categorized as either high= 3 and above or low= below 2.85.

Table 4.8: Customers’ Measure of the quality of services offered by hotels

<table>
<thead>
<tr>
<th>Service</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Importance (High/Low)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good ventilation</td>
<td>4.1239</td>
<td>1.03624</td>
<td>High</td>
</tr>
<tr>
<td>Strategic Location of the hotel</td>
<td>3.5664</td>
<td>1.07634</td>
<td>High</td>
</tr>
<tr>
<td>Competitive Prices charged</td>
<td>4.1327</td>
<td>0.92103</td>
<td>High</td>
</tr>
<tr>
<td>High level of general cleanliness of the Hotel</td>
<td>3.7257</td>
<td>1.17449</td>
<td>High</td>
</tr>
<tr>
<td>Hotel employee listening skills</td>
<td>3.6195</td>
<td>0.91923</td>
<td>High</td>
</tr>
<tr>
<td>Availability of hot water services</td>
<td>3.9558</td>
<td>1.44166</td>
<td>High</td>
</tr>
<tr>
<td>Availability of taxi services</td>
<td>3.531</td>
<td>1.52404</td>
<td>High</td>
</tr>
<tr>
<td>Availability of DSTV</td>
<td>4.1416</td>
<td>1.41338</td>
<td>High</td>
</tr>
<tr>
<td>Availability of Online booking services</td>
<td>3.1593</td>
<td>1.68272</td>
<td>High</td>
</tr>
<tr>
<td>Good Room sizes</td>
<td>3.823</td>
<td>1.20438</td>
<td>High</td>
</tr>
<tr>
<td>Availability of well equipped conference rooms</td>
<td>3.7788</td>
<td>1.03281</td>
<td>High</td>
</tr>
<tr>
<td>Class of other customers using the facility</td>
<td>3.7876</td>
<td>1.24249</td>
<td>High</td>
</tr>
<tr>
<td>Availability of Gym services</td>
<td>2.354</td>
<td>1.41371</td>
<td>Low</td>
</tr>
<tr>
<td>Availability of hair saloons</td>
<td>2.3274</td>
<td>1.55519</td>
<td>Low</td>
</tr>
</tbody>
</table>

On the measure of the quality of services offered by hotels, the study findings established that good ventilation was of high importance to the respondents as shown by a mean of 4.1239. Strategic location of the hotel was also of a low important measure as indicated by a mean of 3.5664. The study findings established that competitive prices charged was a high important measure to the respondents as shown by a mean of 4.1327 while high level of general cleanliness of the hotel was a high important measure as shown by a mean of 3.7257. The study found out that Availability of gym services was a low
important feature as shown by a mean of 2.3540 while hotel employee listening skills was also a low important measure as indicated by a mean of 3.6195. The study findings established that availability of hair saloons was a low important measure in determining the quality of services offered by hotels. This was indicated by a mean of 2.3274.

Availability of hot water services was a high important measure to the respondents as shown by a mean of 3.9558 while availability of taxi services was a low important measure as indicated by a mean of 3.5310. The findings of the study established that availability of DSTV was a high important measure as shown by a mean of 4.1416 while availability of online booking services was a low important measure to the respondents as indicated by a mean of 3.1593. The study found that good room sizes was a high important measure to the respondents as well as the availability of well equipped conference rooms as indicated by means of 3.8230 and 3.7788 respectively. The study also established that class of other customers using the facility was an important measure as indicated by a mean of 3.7876.

4.2.6 Service Quality Rating

4.2.6.1 Importance of Employee Related Issues on Service delivery

The study sought to establish the respondents’ views on the importance of several employee related issues on service quality. The employee factors were categorized as of high importance and of Low importance. If the difference between the mean and the standard deviation was more than three, the factor was categorized as high otherwise it was categorized as low. Table below illustrates the findings.
### Table 4.9: Importance of Employees Related issues on service delivery

<table>
<thead>
<tr>
<th>Employee factor</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee cleanliness</td>
<td>4.4071</td>
<td>0.76342</td>
<td>High</td>
</tr>
<tr>
<td>Hotel employee attentiveness</td>
<td>4.1062</td>
<td>0.91965</td>
<td>High</td>
</tr>
<tr>
<td>Hotel employee presentation</td>
<td>4.3894</td>
<td>0.66054</td>
<td>High</td>
</tr>
<tr>
<td>Hotel employee etiquette</td>
<td>4.3540</td>
<td>0.73095</td>
<td>High</td>
</tr>
<tr>
<td>Hotel employee listening skills</td>
<td>4.1947</td>
<td>0.85417</td>
<td>High</td>
</tr>
</tbody>
</table>

From the findings, the study established that all the employees factor were of high importance in relation to service delivery. The respondents indicated that employee cleanliness was very important as shown by mean of 4.4071. On Hotel employee attentiveness, the respondents rated it as very important as indicated by a mean of 4.1062. Asked to rate on whether the hotel employee presentation was very important, the respondents rated it as important. This was shown by a mean of 4.3894. Asked on their rating on whether hotel employee etiquette was very important; the respondents rated Hotel employee etiquette as very important as shown by a mean of 4.3540. Regarding the importance of hotel employee listening skills, most of the respondents rated it as very important. This was indicated by mean of 4.1947.

The findings agree with Kimani, Kagira, & Kendi, (2011) on perception of service quality and appear to support Gronroos (1988) to the extent that customers consider technical quality in the services they receive from the hotels and functional quality in the employee aspects like etiquette, attentiveness, listening and presentation as they serve the customers and this influences their image of the hotel.

The findings also agree with those of Sharma et al, (2011) that emphasized the importance of the employee in providing services where customers continue to value...
person-to-person contact in service delivery in hotels in Nairobi. Customers access service quality primarily in terms of the personal support they receive from employees and the benefits they get from such relationships. These benefits include personal recognition and friendly interactions, and a sense of confidence and trust. This is seen in the high importance the respondents placed on employee etiquette, listening and attentiveness in service delivery.

4.2.6.2 Rating on the Quality of Services in Hotels

The study asked the respondents to rate the quality of services in the hotel they were in pertaining to the above measures. The data finding are presented in the table below.

**Table 4.10: Respondents rating on Quality of Services in Hotels**

<table>
<thead>
<tr>
<th>Manager Rating</th>
<th>Customer Rating</th>
<th>Variance between Manager rating and Customer rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>Std. Deviation</td>
<td>Mean</td>
</tr>
<tr>
<td>3.4833</td>
<td>0.94764</td>
<td>3.5221</td>
</tr>
</tbody>
</table>

From the data findings, the managers rated the quality of services in the hotel they were in as better than others in the business as indicated by a mean of 3.4833 while the customers rated the quality of services as better than in other businesses. This is an indication that the performance of majority of hotel were at average. From the statistical test, the difference between mean obtained was 0.06027 which was greater than $\alpha=0.05$ (level of confidence at 95%) hence the conclusion that there was no significant difference between the means.
4.2.7 Hypothesis Testing

In order to establish whether employee related factors had effects on perceived service quality; the study conducted a hypothesis testing. The hypothesis was formulated as follows.

**Null:** Employee related factors have no effect on perceived service quality in Hotels.

**Alternate:** Employees related factors have effect on perceived service quality in Hotels.

The null hypotheses imply that the variable- employees related factors and perceived service quality are independent of each other. The researcher wanted to find out whether there was any notable relationship between employees related factors and perceived service quality in hotels. The table below shows the results obtained from the Chi-square test.

**Table 4.11: Chi-Square Tests**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>29.021(^{a})</td>
<td>16</td>
<td>.024</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>23.949</td>
<td>16</td>
<td>.091</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.350</td>
<td>1</td>
<td>.554</td>
</tr>
</tbody>
</table>

The calculated Pearson Chi-Square value is 29.021. The associated P-Value (Asymptotic significance) is 0.024. This value is less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can be drawn from the study that ‘employees related factors have effect on perceived service quality in Hotels.
4.3 Analysis and Findings

The study findings established that less than 5% of the employees had left their organizations in the last one year as indicated by 63.3% of the managers with 26.7% indicated more than 5% and less than 10% of the employees had left their organizations. The study findings established that salaries and allowances were ranked as high motivator applied by the organizations, personal development initiatives like training, further education, Fringe benefits like medical cover, bonuses, paid for holidays and Promotions/Demotions was ranked moderate while Job security was ranked low. The study findings also show that the hotels used promotions and demotion as a way of motivating their employees to some extent.

The study findings established that, the respondents categorized acknowledgement/letter of commendation as high, team building, mentorship, programs, guidance and counseling and offering rewards as medium as they fall in the category of 60-70% while punishment and Coaching was categorized as low as they were in the category of below 60%.

With regard to perceived service quality, the study findings further established that measurement of quality of services through checking on number of customer complaints was categorized as high. measurement of quality of services through conducting customer satisfaction survey, targets setting, from exit interviews with customers, checking on the number of customer complements and checking on repeat business by customers were categorized as medium by the respondents while measurement of quality of services through Setting dimensions was categorized as low by the respondents.
The study found no significant difference between quality perception of managers and those of customers as there was no significant difference between their mean ratings.

From the statistical test, the mean calculated was 0.06027 which was greater than $\alpha=0.05$ (level of confidence at 95%) hence the conclusion that there was no significant difference between the means. This implies that the perception of the managers and the customers on the quality of services in the hotels was the same hence we accept the null hypothesis that there is no significant difference between quality perception of managers and that of customers.

4.4 Discussions
From the findings the study established that employee related factors are an important element of perceived service quality in the hotels. Employee motivation plays an important role in the kind of services delivered to customers. In addition, the study establishes that role clarity, feedback participation, competitive pay, clear career path for staffs, transparency in promotion, experience checking while recruiting employees, salaries and allowances, personal development initiatives and fringe benefits contribute positively to perceived service quality. Highly motivated employees feel part of an establishment; stay longer in the organization and work towards better service delivery and prosperity of their organizations. Kimungu & Maringa (2010) noted that to achieve quality service, establishments need a relatively stable labour force to allow internalization of service standards and that high levels of employee turnover will negatively impact the quality of service and the desired competitiveness of an establishment.
On orientation and training, the study found out that there were a clear career path in their hotels for staff, employee appraisals were transparent in their hotels, promotions were done transparently, experience in the hotel industry was considered when conducting recruitment of new staff and that there was a clear reporting structure in their hotels. The study further establishes that majority of hotels conduct orientations before deploying staff and that regular skills check and training for their staff are performed by hotels. However most of the hotels did not conduct employee workshops and seminars. The study findings appear to support Wanjau et al (2012) who found that low employee’s capacity affects delivery of service quality to customers thus affecting service quality perceptions, customer satisfaction and loyalty and tied successful recruitment and retention of staff to empowerment of staff and recommended that staff be treated as full partners in operation and given opportunities for advancement.

The study found out that employee behavior and attitudes in most hotels are influenced through team buildings and guidance and counseling. Majority of hotels also used mentorship programs, offering rewards and acknowledgement to influence staff behavior and attitude. Punishment however was not seen as effective in influencing employee behavior and attitude. Kattara, et al (2008) emphasized the effect of employees’ behavior on overall customer satisfaction regardless of customers' gender, nationality, and purpose of visit, number of visits and length of stay. This study shows the hotel industry recognizes this and that most hotels employ several ways of influencing employee behavior including team building, issuing letters of commendation, coaching, mentorship programs and offering rewards among others. In order to ensure that staff are well behaved and have positive attitudes, it is important that the management listens to them.
and involves them in strategy formulation so as to reduce resistance during strategy implementation.

The study further found out that hotel employee cleanliness, attentiveness, presentation, etiquette and listening skills are very important with regard to customer satisfaction rating. Good ventilation, competitive prices charged and availability of DSTV and hot water services are used by customers to measure the quality of services offered by hotels. The findings agree with those of Sharma et al, (2011) that emphasized the importance of the employee in providing services where customers continue to value person-to-person contact in service delivery in hotels in Nairobi. Customers access service quality primarily in terms of the personal support they receive from employees and the benefits they get from such relationships. These benefits include personal recognition and friendly interactions, and a sense of confidence and trust. This is seen in the high importance the respondents placed on employee etiquette, listening and attentiveness in service delivery.

The study also found out that strategic location of the hotel, high level of general cleanliness of the hotel, availability of taxi services, good room sizes, availability of well equipped conference rooms and class of other customers using the facility are also among the measures considered by customers in determining quality of services offered. This encompasses the service environment which affects perceived service quality.

The study also found out that clear job descriptions and specifications, performing role plays and clear organizational structure that defines working and reporting relationships enable hotel managers to assign roles. Clear job descriptions ensure that every staff is aware of their roles hence eliminates chances of conflicts hence smooth running of
operations in the hotels. Mukherjee & Malhotra (2006) noted that role clarity plays a critical role in explaining employee perceptions of service quality and indicated that feedback, participation and team support significantly influence role clarity, which in turn influences job satisfaction and organizational commitment. They had suggested use of an internal marketing approach using the frontline employee's perspective but this is applicable to all employees in the hotel industry. Further, from the study findings, there is no significant difference between quality perception of managers and customers in the hotel industry. This implies that the perception of the managers and the customers on the quality of services in the hotels was the same and thus employee related factors affect quality of service delivered in the hotels.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This study sought to establish the employee related factors in perceived service quality and to determine the effect of the employee related factors on perceived service quality. The findings, discussions, conclusion and recommendations are presented below.

5.2 Summary of Findings

The study findings established that less than 5% of the employees left their organizations in the last one year as indicated by 63.3% of the respondents. Regarding motivators applied by hotels, the study found out that salaries and allowances was categorized as highest in enhancing employees’ motivation with a rating of 80%. Personal development initiatives like training, further education, fringe benefits like medical cover, bonuses, paid for holidays and promotions/ demotions were categorized by respondents as medium with percentages ranging between 41% and 69% while job security was categorized as low with 33%.

On methods of influencing behavior the study findings showed that the respondents categorized acknowledgement/letter of commendation as highly used at 83.3%, team building, mentorship, programs, guidance and counseling and offering rewards as medium ranging between 60 and 70% while punishment and coaching were categorized as low as they fell below 60%.
On measurement of quality of services, the study findings showed that checking on number of customer complaints was categorized as highly used by majority of the respondents at 80%. Measurement of quality of services through conducting customer satisfaction survey, targets setting, from exit interviews with customers, checking on the number of customer complements and checking on repeat business by customers were categorized as medium by the respondents at between 60-69% while measurement of quality of services through setting dimensions was categorized as low by the respondents. The study findings revealed that it was extremely true that repeat business had been overwhelming, and that employees had reported positive response and reports from customers they served. The findings further established that customers gave feedback on services offered during a repeat visit. Use of feedback forms, telling employees and writing to hotels were not commonly used to give feedback on quality of service delivered. The study findings showed that hotels recorded positive customer feedback.

On employee related issues, the study found that employee cleanliness was important as shown by mean of 4.4071. The study findings further established that hotel employee attentiveness, hotel employee presentation, hotel employee etiquette, and hotel employee listening skills were very important with regard to customers rating as indicated by mean of between 4-1 and 4.39. On the measure of the quality of services offered by hotels, the study findings established that the measures that were considered very important by customers include; well ventilation, competitive prices charged, availability of DSTV and hot water services as indicated by means between 3.56 and 4.15. The study findings further established that strategic location of the hotel, high level of general cleanliness of
the hotel, hotel employee listening skills, Availability of taxi services, good room sizes, availability of well equipped conference rooms, and class of other customers using the facility were very important considerations with their means ranging between 3.53 and 3.83. The study however established that availability of online booking services, Gym services and hair saloons were less important as indicated by means of below 3.5. The study findings established that majority of the respondents rated the quality of services in the hotel they were in as better than others in the business as indicated by mean of 41.6% while 44.2% of the respondents indicated that they gave feedback to the hotel on quality of services through talking to the management.

The study found no significant difference between quality perception of managers and those of customers. In addition, the study established that employees related factors had an effect on perceived service quality in Hotels.

5.3 Conclusion

The employee related factors in perceived service quality in the studied hotels include motivation, behaviour and attitudes, orientation and training and etiquette. The study found out that majority of hotels conduct orientations before deploying staff and that regular skills check and training for their staff are performed by hotels. However most of the hotels did not conduct employee workshops and seminars. This study concludes that salaries and allowances, personal development initiatives and fringe benefits greatly enhance employees’ motivation thereby positively affecting perceived service quality while promotions/demotions affect perceived service quality only to a limited extent. Staffs’ behavior and attitudes in the hotels are influenced through team buildings,
guidance and counseling, mentorship programs and offering rewards and acknowledgement. In order to ensure that staff are well behaved and have positive attitudes, it is important that the management listens to them and involves them in strategy formulation so as to reduce resistance during strategy implementation. The study further concludes that hotel employee cleanliness, attentiveness, presentation, etiquette and listening skills are very important with regard to customer satisfaction rating. The study also concludes that high level of general cleanliness of the hotel is a measure considered by customers in determining quality of services offered.

From the findings the study established that employee related factors are an important element of perceived service quality in the hotels. Employee motivation plays an important role in the kind of services delivered to customers. In addition, the study concludes that role clarity, feedback participation, competitive pay, clear career path for staffs, transparency in promotion, experience checking while recruiting employees, salaries and allowances, personal development initiatives and Fringe benefits contribute positively to perceived service quality. The study further concludes that the employees related factors have effect on perceived service quality in Hotels.

The study further concludes that there is no significant difference between quality perception of managers and customers in the hotel industry. This was based on the high p-value obtained by comparing managers mean and customers’ mean. This implies that the perception of the managers and the customers on the quality of services in the hotels was the same hence we accept the null hypothesis that there is no significant difference between quality perception of managers and that of customers. The study also concludes that employee related factors effect perceived service quality in Hotels.
5.4 Recommendations

The study established that employee factors play an important role in determining perceived service quality for customers. Based on this, the study recommends that hotels take employee related factors seriously if they are to deliver high quality services to their customers.

The study further established that good remuneration, and clear job descriptions increased employee performance. In addition, it reduced conflicts and motivated employees to work hard for the satisfaction of the customer. This study therefore recommends that hotels keep their staff motivated, have clear job descriptions, and remunerate them competitively to keep their customers satisfied.

The study findings established that employees were moving out of the organizations in search of better pay and generally better working environment. This study therefore recommends that the management of the businesses should establish the reasons for employees leaving their organizations and therefore come up with measures to stop this trend.

5.5 Limitations and Suggestions for Further Studies

The study faced financial limitation where the researcher had limited funds to facilitate comprehensive data collection and analysis. However, the researcher utilised the only available funds to interview one manager per hotel. The study recommends interviewing more than one manager per hotel in future to get divergent views.

Secondly the study was also faced with time constraint. The study also faced limitation in terms of respondents’ resistance to provide data fearing that the information requested
would be misused to outperform them. The researcher however carried with her an introduction letter from the University of Nairobi to assure them that the data requested would be used for academic purposes only.

The study could be limited by the biases of managers because of not wanting to report negative information about their hotel hence the findings may not be very objective. The study was also limited by the methods in that the study only used questionnaires and did not engage in physical observation process to ascertain the situation as is.

This study concentrated on the employee factors and perceived service quality in the hotel industry. However, employee factors make important element of any organization as all processes are done using people. In order to allow for generalization of findings to other industries, this study recommends that another study be conducted targeting all sectors in Kenya. This will allow generalization of findings to the whole sector.

The study further recommends that further research be done in other counties like Mombasa where there are beach hotels. This study further suggests that future study be conducted on tour firms. Kenya is a country that relies heavily on tourism. As tourists come, there are several factors that determine their experience while in the Country. This will allow for improvement of services delivered to tourists in our hospitality industry hence boost our Kenyan economy.
REFERENCES


APPENDICES

EMPLOYEE FACTORS AND PERCEIVED SERVICE QUALITY IN
THE HOTEL INDUSTRY IN NAIROBI, KENYA

Appendix A: Questionnaire for Managers’

Please complete the questionnaire and give as much detail as possible. Where necessary
tick (✓) appropriately

SECTION A: EMPLOYEE FACTORS

1. Please tick the box that indicates the appropriate percentage of the employees that left
your organization in the last one year.

   Less than 5% [ ]
   More than 5% and less than 10% [ ]
   More than 10% and less than 20% [ ]
   More than 20% [ ]

2. How do you motivate your employees? (Please tick all that apply)

   Through salaries and allowances [ ]
   Personal development initiatives like trainings, further education [ ]
   Job security [ ]
   Promotions/demotions [ ]
   Fringe benefits like medical cover, bonuses, paid for holidays [ ]

3. How do you influence your staffs’ behavior and attitudes?

   Team building [ ]
   Guidance and counseling [ ]
   Mentorship programs [ ]
   Coaching [ ]
   Punishment [ ]
   Offering rewards [ ]
   Acknowledgement (letter of commendation) [ ]
4. How do you assign roles?

   We have clear job descriptions and specifications [ ]
   We perform role plays [ ]
   We have a clear organizational structure that defines working and reporting relationships [ ]

SECTION B: PERCEIVED SERVICE QUALITY

5. Please indicate how your firm measures quality of services rendered to customers.
   (Please select all that apply to your company)

   We set targets [ ]
   We set dimensions [ ]
   From exit interviews with customers [ ]
   Checking on repeat business by customers [ ]
   Checking on number of customer complaints [ ]
   Checking on the number of customer compliments [ ]
   Conducting customer satisfaction survey [ ]
   Other please specify [ ]

6. Please list below the measures that you use in determining quality of service you deliver to your customers

   ................................................................................................................................................
   ................................................................................................................................................
   ................................................................................................................................................

7. Please indicate how your hotel has performed in terms of the above quality measures for the last one year.
Not god at all [  ]
Some not as good as we would have wanted to [  ]
Average [  ]
Better than others in our business [  ]
Much better than others in our business [  ]

8. Please indicate how you obtain information on how your customers feel about your service. (Please select all that apply to your Company)

When they come back [  ]
They tell our employees [  ]
They write to us [  ]
We give them feedback forms to fill [  ]

9. Please indicate the extent to which the following statements are true as regards your customers. Use a scale of 1-5 (where 1= extremely not true, 2= somewhat not true, 3= Don’t Know, 4= somewhat true and 5= extremely true). Please indicate the extent to which you agree with each statement.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Repeat business has been overwhelming</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Employees have reported positive response from customers they serve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. We have received positive reports from our customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. Customers feedback has been positive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thank You for your Participation
Please complete the questionnaire and give as much detail as possible. Where necessary tick (✓) appropriately

1. How do you rate the importance of the following employee related issues on customer service on a scale of 1 to 5 where 1 means least important and 5 means very important

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Employee cleanliness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Hotel employee attentiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Hotel employee presentation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. Hotel employee etiquette</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>v. Hotel employee listening skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. How do you measure the quality of services offered to you in this hotel?

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Well ventilation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Strategic Location of the hotel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Competitive Prices charged</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. High level of general cleanliness of the Hotel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>v. Availability of Gym services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vi. Hotel employee listening skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vii. Availability of hair saloons</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>viii. Availability of hot water services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ix. Availability of taxi services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>x. Availability of DSTV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>xi. Availability of Online booking services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>xii. Good Room sizes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>xiii. Availability of well equipped conference rooms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. How would you rate the quality of services in this hotel as pertains to the above measures

<table>
<thead>
<tr>
<th>Rating</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Not god at all</td>
<td></td>
</tr>
<tr>
<td>Some not as good as we would have wanted to</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td></td>
</tr>
<tr>
<td>Better than others in the business</td>
<td></td>
</tr>
<tr>
<td>Much better than others in the business</td>
<td></td>
</tr>
</tbody>
</table>

*Thank You for your Participation*