

## **CHAPTER V**

### **CONCLUSION AND RECOMMENDATION**

#### **5.1 Introduction**

This chapter reviews and encapsulates the results of the data analysis in the preceding chapter. Section two highlights the objectives of the study. Section three summarizes the findings from the data analysis chapter. Section four emphasizes the theoretical implication of the study, while section five discusses the practical implications. Section six identifies some limitation of the study. Finally, section seven suggests areas and directions for future research.

#### **5.2. Objectives of the Study**

The main objective was to examine how human resource can be developed to enhance the performance of the hotel industry in Ghana. This study had the following specific objectives

1. To analyze the human resource development practices prevailing in the hotel industry.
2. To evaluate the impact of human resource development practices on employee competencies.
  - 2.1 The impact of training and development on employee competencies.
  - 2.2 The impact of career development on employee competencies.
  - 2.3 The impact of performance appraisal on employee competencies.
  - 2.4 The impact of compensation on employee competencies.
  - 2.5 The impact of employee involvement on employee competencies.
3. To study the impact of employee competencies on the performance of the hotel industry.
4. To study the role of employee competencies on the association between HRD practices and organizational performance.

#### **5.3 Summary**

The data used in the study were assumed to be normally distributed since the skewness and kurtosis values were within accepted thresholds (Pallant, 2005). The reliability statistics indicates the measurement instrument was reliable since the Cronbach's coefficient alpha estimates for the individual items of human resource development practices, employee competencies and organizational performance exceeded the suggested and recommended threshold (Nunnally and Bernstein, 1994; Kline, 2010). Convergent validity was established because the results of all the values in the confirmatory factor analysis were above the suggested threshold. Similarly, discriminant validity was established since constructs AVE

squared values exceeds the correlation among constructs. All the six hypothesis developed for the study were accepted in the data set. The findings support the contention of Swanson and Holton (2009) who emphasized that human resource development practices enhance the competence of employees.

Also, the results support the supposition of Draganidis and Mentzas (2006) who indicated that employee competencies provide potential for effectiveness of task performance. As alluded to in chapter 4, the study objectives were tested using Structural Equation Modeling. All relevant and applicable indices were reported. The findings indicated that all the indices were within suggested and recommended thresholds (Byrne 2013; Hoyle 2011; Kline 2010). Accordingly, the structural model test indicated a good fit and reflected desirable psychometric properties (Fan and Sivo 2005; Hoe, 2008; Hoyle, 2011; Hu and Bentler 1999). The findings are compatible with other empirical studies where the structural model reflected psychometric properties (Che Wu and Jae Ko, 2013; Gupta et al., 2016). Moreover, all the four objectives of the study were accepted in the data set except sub-objective 2.3 and 2.4 of objective 2.

The findings of objective 1 indicates that career development was perceived high among the other four selected human resource development practices by the hotels (Std estimate= 0.779; Std error =0.152;  $p < 0.05$ ). The results support the contention of McDonald and Hite (2005) who deliberates that career development interventions enhance employee's positive attitude towards the organization. Findings of objective 2 confirms that a well- articulated human resource development practices have the tendency of enhancing and improving employee competencies. The results give credence to the contention of Clardy (2008) who postulated that human resource development practices are used by organizations practices as an important strategic mechanism to stimulate positive behaviour in individuals and impact their knowledge, skills and attitudes which can increase productivity and performance. Results of objective 3 upholds the long-held assertion that competent employees are a source of competitive advantage, when it indicted that, employee competencies impact organizational performance. This result is compatible with the arguments of Cartwright and Baron, (2002) who contended that the accomplishment of an expected strategic outcomes hinges on the employee's coherence, interaction, harmonization, dedication and the improvements of suitable competencies.

Finally, the findings of objective 4 confirms that employee competencies mediate the association between human resource development practices and organizational performance. This result is in conformity with the recommendations of Baron and Kenney (1968) who emphasized that an assertion that the mediator is absolutely accountable for the relationship

amongst the outcome and the cause, the coefficient should be zero. With this study the coefficient of the indirect mediated effect of human resource development on organizational performance is zero (0.07). This result parallels the finding by Nilsson and Ellstrom (2012) when they asserted that developing human resource development strategies in an organization is an opportunity for employees to enrich their competencies that contribute, in aggregate to firm performance. Hotel classification moderates the path between training and development and employee competencies. Hence for star rated hotels the relationship between training and development and employee competencies are different. Similarly, hotel classification moderated the path between training and development and organizational performance, therefore, for star rated hotels there are difference in the relationship between training and development and organizational performance.

#### **5.4 Theoretical Implications**

The finding of this study supports the contention in literature on the subject of improvements of employee competencies suggested by Levenson (2005) and Palan (2005) about which further research is needed in the hotel industry. Human resource development plays a significant role in ever sphere of life, nonetheless its relevance is much seen in the hotel industry. The hotel industry is viewed as a people industry and the effective utilization of human resource is a major challenge facing this industry (Enz, 2009; Lockyer, 2007; Poulston, 2008; Swain, 2003). This industry is characterized by being labour-intensive depending on the social and technical skills of its personnel, their ingenuity and hard work, their commitment and attitude' for competitive success, which makes it unique for studying certain HR-related challenges (Gabriel, 1998).

The finding of this study addresses the recommendation to further investigate the relationship between human resource development practices and organizational performance based on the premise that investment in human resource development practices are important strategic mechanism to stimulate positive behaviour in individuals and impact their knowledge, skills and attitudes which can increase productivity and performance (Clardy, 2008). Leopold and Harris (2009) posited that human resource development practices allow organizations to enhance their staff knowledge and capabilities. Similarly, Aksu (2005) opined that human resource development practices contribute to the provision of superior service quality and customer satisfaction. Relatively few studies exist on human resource development in the hospitality setting (Cheng and Brown, 1998; Cho et al., 2006; Esichaikul and Baum, 1998;

Swain, 2003). Similarly, relatively few studies existed on employee competencies in this organizations (Bhardwaj, 2013; Kehoe and Wright, 2013; Levenson et al. 2006).

The finding of the study also assists in clarifying the ambiguity in literature in relation to human resource development and organizational performance (Bartlett, 2001; Clardy, 2008; Macky and Boxall, 2007; Nilsson and Ellstrom, 2012). The findings of the study indicate that human resource development practices influence employee competencies through training and development interventions which is the systematic acquisition of skills, rules, concepts, or attitudes that result in improved performance (Goldstein,1986, p.837), career development interventions which is becoming aware of self, opportunities, constraints, choices and consequences, identifying career-related goals and programming of work, education, and related development experience (Storey,1978) and employee involvement interventions, which is the degree to which employees share information, knowledge, rewards and power throughout the organization (Randolph, 2000; Vroom and Jago, 1988) has a significant influence on employee competencies.

The findings support the suppositions of the theory of human capital initially developed by Becker (1964, 1993) who regarded training as a form of investment that leads to higher individual productivity. They are also consistent with the results of other authors who found that organizational efforts in training and development are an investment in assets rather than an expense (Chang et al., 2011; Yamao et al., 2009; Youndt and Snell, 2004). Similarly, these findings support the contention of several other authors who argued that a well-designed career development system enables organizations to tap their wealth of in house talent for staffing and promotion by matching the skills, experience, and aspirations of individuals to the needs of the organizations (Kapel and Shepherd, 2004; Kaye, 2005). They are also consistent with the study of Milkovich and Boudreau (1998) who accentuated that a well-planned career development system along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance.

Furthermore, these findings support the arguments of Chu et al. (2005) who contend that employee involvement helps achieve better implementation of customer focus, quality and continuous improvements. They are also consistent with the study of Denison (1990) who asserts that receiving input from organization members increases the quality of the decisions and improves their implementation. The study further revealed that employee competencies impact organizational performance. These findings support the contentions of several other authors who postulate that employee competencies play a central role for sustained competitive advantage (Hendry and Pettigrew, 1986; Kamoche, 1996; Lado and Wilson, 1994). They are

also consistent with the results of several other authors who found that employee competencies provide the potential for effectiveness in task performance, contribute towards an individual's personal effectiveness as well as determine the effectiveness of organizational performance (Draganidis and Gregoris, 2006; Hoge et al., 2005; McCall,1998). Previous empirical and theoretical study on human resource development and organizational performance linkage focused on strategy and design, whereas the current study focused on employees. The study contributes to the scarce number of previous studies that have focused on the important function of employee competencies in the human resource development and organizational performance linkage literature in the hotel industry. The findings of this study emphasize the relevance of employee competencies as a valuable resource in enhancing the influence of human resource development practices on hotel industry performance. Consequently, the current study finding has not been previously established empirically in literature. Distinctively, the current study extends the literature by adducing evidence empirically that employee competencies mediates the association between human resource development practices and organizational performance of the hotel industry in Ghana

### **5.5 Practical Implications**

The results of this study lead to the consideration of a series of implications for the hotel industry. It is recommended for policy makers, stakeholders and management of hotels to encourage the adoption of properly and well-articulated human resource development practices in hotel industry. Human resource development practices the study revealed are basic factor for employees to acquire competencies that in turn significantly improve organizational functioning (Kehoe and Wright, 2013). Along the same lines, Shih et al. (2006) assert that these practices help improve the skills and abilities of employees to generate returns through increased productivity and business performance. Similarly, Swanson and Holton (2009) opined that, human resource development practices improve the competence of employees and enhance organizational effectiveness. This view appears to be supported by Clardy (2008) who postulate that human resource development practices are important strategic mechanisms that stimulate positive behaviour in individuals and impact their knowledge, skills and attitudes, which increase productivity and performance.

Also, several other authors emphasized that human resource development practices enhance the quality of human capital and creates sustainable competitive advantage (Aragón-Sánchez et al., 2003; Scheel et al., 2014). Several other others posited that the success of hotel operations is dependent on staff quality and the lack of qualified personnel impacts on the service

experience and affects future hotel patronage demand (Agut et al. 2003; Aksu, 2005; Hai-Yan and Baum, 2006). Sung and Choi (2014) concurred with this view when they proposed that organizations should design and implement human resource development practices to enable people to work effectively and attain performance expectations through improved individual competencies. The socio-economic advancement for a non-industrialized economy like the Ghanaian economy, hinges to a large extent on the growth of the tourism industry, where the hotel industry is a principal element (Boelle, 2000).

It is therefore imperative for the hotel industry to develop progressive people management practices and policies that will enable them to attract, retain, develop and motivate competent employees, who will in turn contribute to the successful achievement of organizational objectives (Cheng and Brown, 1998). The findings of the study indicated that HRD practices influences employee competencies through training and development interventions, career development interventions and employee involvement interventions. Training and development is a human resource development practice of major importance to organizations (Swanson, 2001). Training and development interventions are designed to maintain and improve effectiveness and efficiency of individuals and groups in an organization (Mondy and Noe,1981). Management of the hotels should ensure that employees are sponsored to training programs on the basis of relevant training needs. Training needs reviews learning and development needs within an organization which considers the skills, knowledge and behaviour that people need and how to develop them effectively (Thompson et al., 1999; Lundberg t al., 2010).

Training needs assessment should be established on a cogent performance appraisal mechanism. Additionally, the training needs identified should be valuable, realistic and established on the business strategy of the organization. Management of the hotels should also ensure, training programs are conducted for employees in all facets of quality as well as see to it that, the activities of the training program meets the needs of the employees. Also, management should ensure that, adequate and relevant knowledge and skills are acquired through training programs. It is of essence for the management of hotels to ensure that the knowledge and skills associated aids used in the training programs are available for use. Career development is a key component of human resource development practices (Storey, 1997). Career development generally involves the assessment of individual skills, interests, and attitudes; the appraisal of the work environment; and the application of a decision-making strategy in determining and developing career programs and practices (Walker and Gutteridge, 1979).

Management of the hotels must support career development in the organization since it provides positive influence on the enhancement of the essential competencies for an establishment. Also, management should ensure employee career development plans by assisting employees on how to draw up action plans regarding their career development. Moreover, the management of the hotels should provide coaching to enhance the career of its employees by supporting employee's action plans. Additionally, management should provide unprejudiced career guidance when required by training employees on how to manage their own careers. Furthermore, management should assign task which will improve the skills of its employees by providing performance feedback related feedback. Employee Involvement interventions are processes by which influence is shared among individuals who are otherwise hierarchically unequal (Locke and Schweiger, 1990; Wagner, 1994).

Armstrong (2006) contends that employee involvement ensures that employees are given the opportunity to influence management decisions and to contribute to the improvement of organizational performance. Management of the hotels should ensure that, collaboration and team work across working functions are vigorously emboldened in the organization. Also, management should see to it that information is widely shared in the organization. Employees should be extremely involved in their task in the organization and the capacity of employees should be regarded as an essential determinant of competitive edge. Moreover, management should ensure that, tasks are prudently systematized to enhance the linkage between organizational goals and a person's work. The findings of the study further revealed that employee competencies significantly impact organizational performance. This study highlights the need to create a system of enhancing the competencies of the employees.

Levenson et al. (2006) posited that competency is an important concept in organization management since it is closely related to excellent work performance. This view appears to be supported by Wright and McMahan (1992) who postulate that employee competencies are the competitive capabilities that a firm can develop to survive in a dynamic environment. Along the same lines, Cartwright and Baron (2002) contend that the accomplishment of an expected strategic outcome hinges on the workforce's coherence, interaction, harmonization, dedication and the improvement of suitable competencies. Therefore, the hotel industry should encourage the improvements of these competencies since they influence the conduct of persons, groups and efficacy of an organization (Bhardwaj, 2013; Levenson et al. 2006). Garavan (1991) and McCracken and Wallace (1999) deliberated that a strategically focused HRD structure is argued to consist of the ability of organisations to formulate plans and policies for HRD and integrate them with plans and policies in HR and also with overall business plans.

Consequently, the study suggests that human resource development practices should be configured such that employees function effectually and meet performance expectancies through enhanced personal competencies which will culminate in improvements in organizational performance.

### **5.6 Limitations of the Study**

This current study had some limitations. One limitation was that data was collected using a cross-sectional research design, however, the adoption of a longitudinal research design would have assisted in testing the casual relationship among variables. Moreover, quantitative research design was used in analyzing data collected through structured questionnaires. A profound qualitative data is encouraged in future studies. The adoption of both qualitative and quantitative approaches would have provided a more in-depth as well as valuable clarifications. Furthermore, the data used in this study are extensively subjective opinions of employees and guests. Adoption of objective measures is encouraged in future studies. This area could be improved by receiving feedback from multiple source and cross validating the responses to identify personal biases from individual respondents. Another limitation is the generalizability of the study. The results of this study cannot be generalized because they come from a sample of hotels in a specific context. We should also be careful when applying the results obtained to other sectors, given the specific characteristics of the hotel industry.

Five human resource development practices were chosen for this study, however, there are other human resource development practices such as employee welfare and quality of life, employee counselling and coaching, role analysis, employment security and promotion. Similarly, five employee competencies were examined, nonetheless, there are others like cultural and diversity competencies. The incorporation of these practices and competencies are encourage in future studies. Future research is encouraged to explore these other practices and competencies. Finally, a non –financial performance measures were used in this study. The adoption of financial measures or a merger is encouraged in future studies.

### **5.7 Areas and directions for future research**

Employees are cogitated as the focal point of the hotel industry for the reason that, they may possibly develop a dazzling image for prompt and cozy service or taint the perfect vacation reality. The present study meaningfully expands the SHRD literature by elaborating different types of HRD practices and conceptually and empirically exploring the mediating mechanism that explains the effect of HRD practices on organizational performance. As revealed in the present study, employee competencies mediated the association between HRD practices and

organizational performance. Nevertheless, further conceptual and empirical endeavors are needed to achieve a clear and comprehensive understanding of the HRD - organizational performance link. With regard to HRD practices, employee performance could be a promising mediating mechanism that underlies the effect of HRD practices on organizational performance. Future research is encouraged to examine the possible mediating effect of employee performance on the association between HRD practices and organizational performance using distinct HRD practices.

