

CHAPTER IV

RESULTS AND DISCUSSIONS

4.1 Introduction

The data analysis results are presented in this chapter. Section two provides a descriptive analysis for the items and displays the normality statistics for the data which follows in section three. Section four measures the reliability of the scales. Section five runs a confirmatory factor analysis and discriminant analysis. Section six conducts a correlation for the data collected in order to test the hypothesis in section seven. Section eight presents the steps and assumptions in structural equation modeling before reporting the results of the estimation and modeling process and fit indices in section nine. The research objectives are tested in section ten, followed by a mediation analysis to test the role of employee competencies on the association between HRD practices and organizational performance. Finally, section eleven extracts conclusions from this chapter.

4.2 Descriptive Analysis

This section seeks to measure the respondents' perceptions and evaluations of variables and constructs examined in the study. Items will generally be perceived negatively if their mean score are less than 2.5 perception and evaluation if their mean scores are less than 2.5. Likewise, items will be perceived moderate if their mean scores are greater than 2.5 and less than 3. Finally, items will be perceived more positively if their mean scores are greater than 3.5.

4.2.1 Human Resource Development (HRD) Practices

This section presents the respondents' evaluation of HRD practices. Five practices are considered.

4.2.1.1 Training and Development

Table 1 below encapsulate respondents' evaluation of training and development procedures in hotels.

Table 1: Training and Development

Statement	Mean	SD
Official training programs to impart fresh employee the expertise they require.	3.25	1.12
Adequate and relevant knowledge and skills are acquired through training program.	3.25	1.47
The knowledge and skills associated aids used in the training programs are available for use.	3.35	1.42
Training programs are conducted for employees in all facets of quality.	3.33	1.41
The activities of the training programs meet the needs of employees.	3.38	1.29
Employees' efficiency is improved through training.	3.59	1.26
Employees are sponsored to training Programmes on the basis of relevant training needs	3.59	1.19
Training needs are identified through established performance appraisal mechanism.	3.17	1.36
Training needs identified are valuable, realistic and established on the business strategy of the organizations.	3.27	1.55
Training functions emphasizes the development of employee competencies.	3.41	1.22

From the above table it can be observed that, the mean values for training and development ranged between 3.17 and 3.59 with standard deviations of 1.12 and 1.47. Improvement in employees' efficiency had the highest score at a mean of 3.59 (SD=1.26), while the identification of training needs through established performance appraisal mechanism was rated lowest with a mean of 3.17 (SD=1.36).

4.2.1.2 Career Development

Table 2 below summarize respondents' evaluation of the development of their careers and competencies.

Table 2: Career Development

Statement	Mean	SD
Organization provides coaching to enhance my career.	3.29	1.38
Organization support my individual development strategy.	3.20	1.27
The organization provide unprejudiced career guidance whenever required.	3.48	1.12
Management assign task which improves my skills.	3.67	1.25
The development of my career is of significance to me.	3.92	1.31
Employees appreciate the necessity for an unceasing career development.	3.41	1.25
Career planning are essential to support employee career development.	3.48	1.23

It can be inferred from the table above that, the significance employees attach to their career development initiatives, had the highest score at mean 3.92 (SD=1.31). In other words, respondents indicated that the development of their careers are of significance to them.

4.2.1.3 Performance Appraisal

Effectiveness of performance appraisal systems implemented in the hotels standard deviation and means are summarized

Table 3: Performance Appraisal

Statement	Mean	SD
Appraisal system is unbiased and transparent.	3.37	1.29
Appraisal system in the organization is growth and developmental oriented.	3.03	1.35
Organization provides a written and operational performance appraisal system.	3.14	1.23
Performance is assessed on established objective and measurable outcomes.	3.26	1.26
The appraisal system has scope for correcting the biases through a review process.	3.33	1.30
Employees are provided performance-based feedback and counseling.	3.66	1.06
Performance review discussions are conducted with the highest quality and care.	3.67	1.12
The appraisal system provides an opportunity for self-review and reflection.	3.81	1.07
Appraisal system has a strong influence on individual and team behaviour.	3.36	1.32

From the above table it can be inferred that the mean values for performance appraisal items ranged between 3.03 and 3.81 with a standard deviation of 1.07 and 1.35. Appraisal system provides an opportunity for self-review and reflection had the highest score at a mean of 3.81 (SD=1.07). On the other hand, appraisal system in the organization is growth and developmental oriented had the lowest score at a mean of 3.03 (SD=1.35). Also, it can be observed that the mean value for

performance review discussions are conducted with the highest quality and care, 3.67 (SD=. 1.12) is slightly higher than that of employees being provided performance-based feedback 3.66 (SD=1.06).

4.2.1.4 Compensation

This section presents subjects' scores for the compensation scale.

Table 4 summarizes the values.

Table 4: Compensation

Statement	Mean	SD
Compensation is established on the competencies and expertise of employees.	3.39	1.31
Compensation is directly linked to employee performance.	3.22	1.26
Remuneration and related allowances are commensurate to current market trends.	3.18	1.21
Job performance is an essential determinant of factor in determining the stimuluses and compensation.	3.31	1.34
Compensation practice connected to the organization goals and objectives.	3.11	1.28
Organizations compensation system is closely connected with its financial results.	3.23	1.27

It can be noticed that the mean values ranged between 3.11 and 3.39 with standard deviation of 1.21 and 1.27. Compensation based on the established on the competencies and expertise of employees was the highest rated item with a mean of 3.39 (SD=1.31). On the other hand, compensation practices connected to the organization goals and objectives was rated lowest score, with a mean of 3.11 (SD=1.28).

4.2.1.5 Employee Involvement

Table 5 below summarize respondents' evaluation of employee involvement.

Table 5: Employee Involvement

Statement	Mean	SD
Employees are extremely involved in their task in the organization.	3.32	1.33
Decisions are made on the accessibility of relevant data.	3.33	1.33
Information is widely shared in this organization.	3.37	1.31
Collaboration and team work across working functions are vigorously emboldened.	3.30	1.29
Team work is the hallmark of this organization.	3.43	1.32
Tasks are prudently systematized to enhance the linkage between organizational goals and a person's work.	3.22	1.34
Everyone believes that he/she can make an impact.	3.25	1.39
The capacity of employees is regarded as an essential determinant of competitive edge.	3.41	1.26
The organization relies on horizontal control and coordination.	3.46	1.17

From the above table it can be observed that the mean values for employee involvement ranged between 3.22 and 3.46 with a standard deviation of 1.17 and 1.39. Organization relaying on horizontal control and coordination had the highest score at a mean of 3.46 (SD=1.17), while tasks are prudently systematized to enhance the linkage between organizational goals and a person's

work rated lowest with a mean of 3.22 (SD=1.34). Additionally, the mean value for team work is the hallmark of this organization, 3.43 (SD=. 1.32) is slightly higher than that of capacity of employee are regarded as an essential determinant of competitive edge, 3.41 (SD=1.39).

4.2.2 Employee Competencies

This section explores the respondents' evaluation of the knowledge and skills that are needed for an effective performance. Five competencies which are necessary to enhance organizational performance will be assessed.

4.2.2.1 Self-Competency

Table 6 below summarize respondents' evaluation of the level the overall ability to assess one's strength and weaknesses, set and pursue professional goals.

Table 6: Self- Competency

Statement	Mean	SD
By virtues of my capabilities, I have much potential.	3.11	1.34
I perform adequately in many important situations.	3.08	1.31
I have accomplished much in life so far.	3.16	1.38
I perform very well at a number of things.	3.25	1.40
I am a capable person.	3.11	1.36
I am very talented.	3.11	1.35
I deal appropriately with challenges.	3.35	1.27
I am very competent	3.15	1.36

The mean values for self-competency ranged between 3.08 and 3.35 with a standard deviation of 1.27 and 1.40. Dealing appropriately with challenges had the highest score at a mean of 3.35 (SD=1.27), having much potential by virtue to one's capabilities was rated lowest with a mean of 3.11 (SD=1.34). In addition, it can be seen that the mean value for performing very well at a number of things, 3.25 (SD=. 1.40) is slightly higher than that of accomplish much in life so far, 3.16 (SD=1.38).

4.2.2.2 Team Competency

This section presents the mean and standard deviation values for subjects' scores for the team competency

Table 7: Team Competency

Statement	Mean	SD
I can work very effectively in a group setting.	3.23	1.36
I can contribute valuable insight to a team project.	3.18	1.35
I can easily facilitate communication between people.	3.16	1.35
I am effective at delegating responsibility for tasks.	3.14	1.33
I can effectively coordinate tasks and activities of a group.	3.16	1.25
I am able to resolve conflicts between individuals effectively.	3.17	1.34

It can be noticed that the mean values ranged between 3.14 and 3.23 with a standard deviation of 1.25 and 1.36. Working very effectively in a group setting was the highest rated item with a mean of 3.23 (SD=1.36), On the other hand, effective at delegating responsibility for task was rated lowest score, with a mean of 3.14 (SD=1.33).

4.2.2.3 Change Competency

This section presents the mean and standard deviation values for subjects' scores for the team competency scale.

Table 8 summarizes the values.

Table 8: Change Competency

Statement	Mean	SD
I am confident in dealing with planned structural changes.	3.27	1.31
I am confident and able to do all that is demanded by the restructuring.	3.12	1.34
I believe, I perform well in job situation following the restructuring.	3.15	1.30
Provided training, I can perform well following the restructuring.	3.14	1.37
I see restructuring as an opportunity.	3.14	1.33

The mean values for change competency ranged between 3.12 and 3.27 with a standard deviation of 1.31 and 1.37. Confident in dealing with planned structural changes had the highest score at a mean of 3.27 (SD=1.31), while seeing restructuring as an opportunity was rated lowest with a mean of 3.14 (SD=1.33).

4.2.2.4 Communication Competency

Table 9 below encapsulate respondents' evaluation score for the communication competency scale.

Table 9: Communication Competency

Statement	Mean	SD
I am a good listener.	3.17	1.39
I won't argue with someone just to prove am right.	3.33	1.33
I generally know what type of behaviour is appropriate in any given situation.	3.35	1.33
I generally know how others feel.	3.20	1.35
I say the right thing at the right time.	3.24	1.35
I deal with others effectively.	3.30	1.34
I am personal and close with others	3.18	1.38
I am sensitive to the needs to others	3.16	1.35

I easily get along with others	3.13	1.35
I use my body and voice expressively	3.24	1.36

From the above table it can be observed that the mean values for communication competency ranged between 3.13 and 3.35 with standard deviations between 1.33 and 1.39. I generally know what type of behaviour is appropriate in any given situation had the highest score at a mean of 3.35 (SD=1.33), while I easily get along with others was rated lowest with a mean of 3.13 (SD=1.35). In addition, the mean value for won't argue with someone just to prove am right, 3.33 (SD=. 1.33) is slightly higher than that of dealing with others effectively, 3.30 (SD=1.34).

4.2.2.5 Ethical Competency

This section presents the mean and standard deviation values for subjects' scores for the ethical competency scale.

Table 10 summarizes the values

Table 10: Ethical Competency

Statement	Mean	SD
I have the strength of will not to be defeated by direct problem or opposition.	3.18	1.33
I have the courage to face problems or opposition directly.	3.18	1.36
I have the emotional strength that can withstand trials and tribulations.	3.24	1.34
I have a strong sense of responsibility.	3.31	1.31
I am confident my values, thinking and judgment are appropriate.	3.32	1.33
I try to positively face up to difficult situations where views clash.	3.22	1.35
I make decisions based on reliable evidence.	3.25	1.32
I consider all possibilities before making a decision.	3.22	1.37
I make decisions with priority on the thoughts and values of the organization.	3.20	1.33
I make decisions in consideration of what the organization places importance on.	3.26	1.36

It can be inferred from the above table that the mean values for ethical competency ranged between 3.18 and 3.32 with a standard deviation of 1.31 and 1.37. I am confident my values, thinking and judgment are appropriate had the highest score at a mean of 3.32 (SD=1.33), while having the courage to face problems or opposition directly was rated lowest with a mean of 3.14 (SD=1.33).

4.2.3 Organization Performance

Three key performance indicators of hotels were assessed.

4.2.3.1 Service Quality

Table 11 below summarizes respondents' assessments of service quality scale. Three dimensions of global service quality were assessed.

Table 11: Service Quality

Statement	Mean	SD
Interactive Quality		
The conduct of the employees instils confidence in guest.	3.27	1.32
The attitude of employees of the hotel shows their readiness in helping guests.	3.23	1.27
The attitude of employees indicates an appreciation of guest need.	3.19	1.30
Employees of the hotel possess the required knowledge in meeting guest's needs.	3.16	1.37
Employees are conversant with their enshrined duties and responsibilities.	3.22	1.33
Employees of hotel are competent.	3.18	1.38
Employees shows genuine concern in resolving guest issues.	3.27	1.29
Employees appreciate the significance of resolving guest grievance.	3.16	1.33

Employees have the expertise in handling guest grievances efficiently.	324	1.35
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Environmental Quality

The hotel atmosphere is what a guest expects.	3.26	1.31
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Guests like the style of the hotel décor.	3.18	1.33
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Guests really enjoy the hotel atmosphere.	3.23	1.29
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The hotel furnishings show a great deal of style and thought.	3.28	1.33
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The hotel furnishing is elegant and good-looking.	3.24	1.33
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The hotel ambience is excellent.	3.25	1.34
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The hotel atmosphere is serene and appropriate for the purpose of stay.	3.16	1.32
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The hotel has accessible fire exits.	3.20	1.35
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The hotel has noticeable sprinkler systems.	3.17	1.34
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The hotel has a diversity of food and beverage facilities.	3.25	1.36
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The hotel provides secure safes in guest rooms.	3.24	1.28
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The hotel design is artistically appealing.	3.21	1.34
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The hotel design enhances guest mobility.	3.20	1.34
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The hotel design caters for the needs of guests.	3.20	1.36
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Outcome Quality

Hotel provides socialization opportunities.	3.20	1.33
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Guest of the hotel feel a sense of belonging.	3.18	1.34
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The hotel offers an avenue for social contacts.	3.24	1.34
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Guest feels their expectations were meet on leaving the hotel.	3.09	1.37
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The hotel services are evaluated favorably by guests.	3.13	1.32
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The waiting time for hotel services are realistic.	3.24	1.33
Employees try to minimize guest waiting time.	3.27	1.32
Employees appreciate the importance of waiting time to guest.	3.17	1.33
Employees renders service to the guests in good time.	3.26	1.36
Employees of the hotel show their interest in accelerating service.	3.19	1.36

From the above table it can be observed that the mean values for service quality items ranged between 3.13 and 3.28 with a standard deviation of 1.27 and 1.38. The hotel furnishing is elegant and good-looking had the highest score at a mean of 3.28 (SD=1.33) On the other hand, the hotel services are evaluated favorably by guests had the lowest score at a mean of 3.13 (SD=1.32). In addition, it can be seen that the mean value for environmental quality dimension, 3.28 (SD=1.36) is slightly higher than that of interactive and outcome quality dimension 3.27 (SD=1.38, 1.37) respectively.

4.2.3.2 Customers Satisfaction

Table 12 below summarizes respondents' assessment of the outcome of guest's perception of the value received in a transaction or relationship in hotels. Four attributes which are necessary to ensure overall satisfaction were assessed.

Table 12: Customers Satisfaction

Statement	Mean	SD
Accessibility		
The hotel is easily accessible.	3.50	1.30
Obtaining information about hotel facilities and services via phone, internet, direction signs etc. is easy.	3.94	1.14
The operating hours of the hotel are convenient to guest requirements and expectations.	3.57	1.23

Guest safety and security are ensured.	3.25	1.34
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Reliability

The hotel does not renege in rendering services pledge.	3.22	1.31
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The hotel ensure precision in service delivery.	3.33	1.34
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Employees of the hotel are always available when needed.	3.31	1.36
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The hotel offers adaptability in its services to meet guest's exigencies.	3.41	1.37
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The hotel keeps accurate records.	3.27	1.35
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Competence

Employees of the hotel possess the required skills and knowledge to perform the service.	3.41	1.35
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Employees of the hotel have insight in the peculiar necessities of guest.	3.30	1.37
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Employees have in-depth professional knowledge in terms of foreign language, communication skills, etc.	3.38	1.30
---	------	------

Employees of the hotel possess the requisite knowledge in offering support to guests in relation to recreational facilities, museums and shopping etc.	3.16	1.42
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Friendliness

Employees of the hotel handles guest in an affable demeanor.	3.37	1.35
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Employees are courteous at all times.	3.43	1.28
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Employees of the hotel provides guests personalized care.	3.37	1.31
---	------	------

Employees upholds customers best interests at heart.	3.05	1.36
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The mean values for customer satisfaction items ranged between 3.05 and 3.94 with a standard deviation of 1.14 and 1.42. Obtaining information about hotel services and facilities via phone, internet, direction signs had the highest score at a mean of 3.94 (SD=1.14) On the other hand, employees upholding customer's best interests at heart had the lowest score at a mean of 3.05 (SD=1.42). In addition, it can be seen that the mean value for accessibility dimension, 3.94 (SD=1.14) is slightly higher than that of friendliness dimension 3.43 (SD=1.28)

4.2.3.3 Room Occupancy

Table 13 below report respondents' evaluations of room supply efficiency or capacity utilization. Two attributes which are necessary to determine the price of a room were assessed.

Table 13: Room Occupancy

Statement	Mean	SD
Location		
The hotel has a convenient and accessible location.	3.02	1.36
The hotel has a convenient parking space.	3.02	1.36
The hotel has visually appealing buildings and facilities.	3.19	1.34
Shops and other sales outlets in the hotel are conveniently located.	3.15	1.33
The dining-out facilities of the hotel are expediently situated.	3.14	1.35
The hotel has sufficient capacity in terms of swimming pools, bars as well as dining- out facilities etc.	3.07	1.40
The hotel has sufficient capacity in terms of conference or meetings room and business center facilities etc.	3.12	1.39
Necessities associated hotel services are adequate and sufficient.	3.06	1.30
The food and beverage facilities are clean, sufficient and adequate.	3.01	1.30
The hotel has state of the art apparatus like elevators, communication and air conditioners devices.	3.21	1.36
The hotel has efficient equipment without rampant faults.	3.14	1.37
Employees have an uncluttered and professional appearance.	3.07	1.29
Quality of Room		
Guest rooms has quality/sufficient accessories.	3.18	1.33

Guest room beds, pillows and chairs are comfortable and appropriate for stay.	3.03	1.30
Guest room size is adequate.	3.24	1.34
Guest room bath and toilet are clean.	3.11	1.31
Guest rooms are clean and quite.	3.20	1.31
Guest room temperature control is of superior quality.	3.22	1.33

It can be observed from the above table that the mean values for room occupancy items ranged between 3.01 and 3.24 with a standard deviation of 1.29 and 1.40. Guest room size is adequate had the highest score at a mean of 3.24 (SD=1.34) On the other hand, food and beverage facilities are clean, sufficient and adequate had the lowest score at a mean of 3.01 (SD=1.30). In addition, it can be seen that the mean value for quality of dimension 3.24 (SD=1.34) is slightly higher than that of location dimension 3.21 (SD=1.36).

4.3 Normality of the Data

For estimating data normality, skewness and kurtosis information values were observed (Hair et al., 2010; Kline, 2010). Skewness specifies distribution symmetry, whereas, kurtosis indicates distribution peakedness (Pallant, 2010). Values of skewness and kurtosis presented in **Table 17 below**.

Table 14: Values of Skewness and Kurtosis

Statement	Skewness	Kurtosis
Training and Development	-0.506	-0.368
Career Development	-0.650	-0.031
Performance Appraisal	-0.270	-0.047
Compensation	-0.114	-0.058
Employee Involvement	-0.523	0.293
Self-Competency	-0.058	-0.438
Team Competency	0.608	-0.188
Change Competency	-0.150	-1.085
Communication Competency	-0.160	-0.684
Ethical Competency	-0.189	-0.355
Service Quality	0.154	-0.290
Customer satisfaction	-0.272	-0.141
Room Occupancy	-0.019	-0.458

As shown in Table 17 majority of the values were between -1 and +1 and did not exceed normal levels, thus the data gathered can be considered normally distributed (Pallant, 2005). Peat and Barton (2008) postulated that if kurtosis and skewness values of variables are between -1 and +1, the data can be assumed normally distributed.

4.4 Reliability Statistics

Reliability ascertain how established scales are free from random error (Pallant, 2005). Sekaran (2003) and Churchill and Brown (2004) contended that reliability strive to maintain consistency and stability of scales. Cronbach Alpha Statistic was used is in assessing the stability and reliability of the scales (Churchill, 1979; Peter, 1979; Pallant, 2005).

4.4.1 Human Resource Development (HRD) Practices Scale

Having identified the five human resource development practices (training and development, career development, performance appraisal, compensation and employee involvement), this section aims to check the reliability of the five selected human resource development practices.

Table 15 displays the Cronbach alpha coefficients and item to total correlations.

Table 15: Reliability of the Human Resource Development Practices Scale

Item	Cronbach Alpha	Item to total correlation
Training and Development		
Adequate and relevant knowledge and skills are acquired through training program.	0.85	0.42
The knowledge and skills associated aids used in the training programs are available for use.		0.65
Training programs are conducted for employees in all facets of quality.		0.45
The activities of the training programs meet the needs of employees.		0.53
Employees are sponsored to training programmes on the basis of relevant training needs.		0.48
Career Development		
Organization provides coaching to enhance my career.	0.82	0.50
Organization support my individual development strategy		0.45
Organization provide unprejudiced career guidance whenever required.		0.60
Performance Appraisal		
Appraisal system in this organizations is growth and developmental oriented.	0.76	0.44
Organization provides a written and operational performance appraisal system		0.54

Performance is assessed on established objective and measurable outcomes. 0.51

Performance review discussions conducted with the highest quality and care. 0.51

Compensation 0.74

Remuneration and related allowances are commensurate to current market trends. 0.48

Job performance is an essential determinant of factor in determining the stimuluses and compensation. 0.43

Compensation practice connected to the organization goals and objectives. 0.46

Organizations compensation system is closely connected with its financial results. 0.39

Employee Involvement 0.78

Information is widely shared in this organization. 0.43

Collaboration and team work across working functions are vigorously emboldened. 0.43

Everyone believes that he/she can make an impact. 0.42

The capacity of employees is regarded as an essential determinant of competitive edge. 0.57

The organization relies on horizontal control and coordination. 0.63

Individual items of human resource development practices exceed the recommended threshold of (0.70) (Nunnally and Bernstein, 1994; Kline, 2010). In addition, item to total correlations exceeds the minimum value of (0.50). Therefore, it is confirmed that this scale is reliable for measuring human resource development practices.

4.4.2 Employee Competencies Scale

Table 16 displays Cronbach alpha scores and item to total correlations for the five employee competencies scale

Table 16: Reliability of the Employee Competencies Scale

Item	Cronbach Alpha	Item to total correlation
Self-Competency		
	0.78	
By virtue of my capabilities, I have much potential.		0.51
I perform adequately in many important situations.		0.56
I perform very well at a number of things.		0.53
I am very competent.		0.42
I am very talented		0.56
I deal appropriately with challenges.		0.46
Team Competency		
	0.75	
I can contribute valuable insight to a team project.		0.41
I can easily facilitate communication between people.		0.53
I am effective at delegating responsibility for tasks.		0.50
Change Competency		
	0.82	
I believe, I perform well in job situation following the restructuring.		0.69
Provided training, I can perform well following the restructuring.		0.69
Communication Competency		
	0.80	

I am a good listener.	0.50
I generally know what type of behaviour is appropriate in any given situation.	0.66
I generally know how others feel.	0.60
I say the right thing at the right time.	0.62
I deal with others effectively.	0.50
Ethical Competency	0.79
I have the strength of will not to be defeated by direct problem or opposition.	0.47
I am confident my values, thinking and judgment are appropriate.	0.54
I try to positively face up to difficult situations where views clash.	0.52
I make decision based on reliable evidence.	0.51
I make decision with priority on the thoughts and values of the organization.	0.52

Table 16 summarizes reliability results for individual items related to employee competencies. The Cronbach's coefficient alpha estimates of the items exceed the recommended value of (0.70) (Nunnally and Bernstein, 1994; Kline, 2010). Item to item correlation exceeds the minimum value of (0.50). Hence, the scale is reliable for measuring employee competencies.

4.4.3 Organizational Performance Scale

Three organizational performance indicators were identified (service quality, customer satisfaction and room occupancy), this section aims to check the reliability of the three selected organizational performance indicators. **Table 17** displays the Cronbach Alpha Coefficients and item to total correlations.

Table 17: Reliability of the Organizational Performance Scale

Item	Cronbach Alpha	Item to total correlation
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Service Quality	0.88
The attitude of employees of the hotel shows their readiness in helping guests.	0.57
Employees of the hotel possess the required knowledge in meeting guest's needs	0.61
Employees of hotel are competent.	0.61
Employees appreciate the significance of resolving guest grievance	0.44
The hotel furnishings are elegant and good-looking.	0.58
The hotel ambience is excellent	0.57
The hotel atmosphere is serene and suitable for the purpose of stay	0.56
The hotel has accessible fire exist	0.49
The hotel design enhances guest mobility.	0.42
The hotel design caters the for needs of guests.	0.39
Guests feel a sense of belonging	0.47
The hotel services are evaluated favorably by guests	0.60
The waiting time for services is realistic	0.42
Employees try to minimize guest waiting time	0.61
Employees appreciate the importance of waiting time to guest.	0.60
Employees show their interest in accelerating service	0.55

Customer Satisfaction	0.82
The hotel is easily accessible	0.41
Obtaining information about hotel facilities and services via phone, internet, direction signs etc. is easy.	0.40

The operating hours of the hotel are convenient to guest requirements and expectations.	0.40
The hotel does not renege in rendering services pledge.	0.42
The hotel ensure precision in service delivery	0.42
The hotel offers adaptability in its services to meet guests exigencies	0.43
Employees of the hotel possess the required skills and knowledge to perform the service	0.30
Employees of the hotel have in-depth professional knowledge in terms of foreign language, communication skills etc.	0.43
Employees of the hotel possess the requisite knowledge in offering support to guests in relation to recreational facilities, museums and shopping etc.	0.34
Employees of the hotel handles guest in an affable demeanor	0.40
Employees are courteous at all times	0.58
Employees of the hotel provides guests personalized care	0.40
Room Occupancy	0.77
The hotel has visually appealing building and facilities	0.58
The dining-out facilities of the hotel are expediently situated	0.30
The dining-out facilities of the hotel are conveniently located	0.48
The hotel has sufficient capacity in terms of conference or meetings room and business center facilities etc.	0.42
The hotel has state of the art apparatus like elevators, communication and air conditioners devices	0.40
Guest rooms has quality/sufficient accessories	0.50

Guest room size is adequate	0.40
Guest rooms are clean and quite	0.40
Guest rooms temperature control is of superior quality	0.39

Individual items of organizational performance exceed the recommended threshold of (0.70) (Nunnally and Bernstein, 1994; Kline, 2010). Additionally, item to total correlations exceeds the minimum value of (0.50). Therefore, it is confirmed that this scale is reliable for measuring organizational performance. Similarly, individual items of human resource development practices, employee competencies and organizational performance value of (0.92) exceeded the recommended threshold of (0.70) (Nunnally and Bernstein, 1994; Kline, 2010) which shows that the measurement instrument was reliable.

4.5 Confirmatory Factor Analysis

Fundamental latent construct for confirmatory factor analysis (CFA) were selected through exploratory factor analysis. In order to ensure measures were discriminately and convergently valid, the researcher performed confirmatory factor analysis. Confirmatory factor analysis (CFA) is a latent variable measuring method (Byrne 2013; Hoyle 2011; Kline 2010). Construct reliability and adequacy of internal consistency were ensured in the study through composite reliability as well as average variance extracted. Proposed and suggested threshold values were observed (Fornell and Larcker, 1981). **Table 18** below summarizes the results of the confirmatory analysis conducted.

Table 18: Confirmatory Factor Analysis

Factor Names, Cronbach's alpha and Factor Loadings

Factor	Items	(λ)	AVE	CR
Training and Development ($\alpha=0.850$)	Adequate and relevant knowledge and skills are acquired through training program	0.625		

	The knowledge and skills associated aids used in the training programs are available for use.	0.886		
	Training programs are conducted for employees in all facet of quality.	0.680		
	The activities of the training programs meet the needs of employees.	0.763	0.59	0.87
	Employees are sponsored to training programmes on the basis of relevant training needs.	0.840		
Career Development ($\alpha=0.820$)	Organization provides coaching to enhance my career	0.825		
	Organization support my individual development strategy	0.656	0.61	0.86
	Organization provide unprejudiced career guidance whenever required.	0.781		
	Management assign task which improves my skills	0.856		
Performance Appraisal ($\alpha=0.760$)	Appraisal system in our organization is growth and development oriented.	0.771		
	Organization provides a written and operational performance appraisal system.	0.781		
	Performance is assessed on established objective and measurable outcomes.	0.778	0.55	0.89

	Performance review discussions are conducted with the highest quality and care.	0.815		
Compensation ($\alpha=0.740$)	Remuneration and related allowances are commensurate to current market trends.	0.781		
	Job performance is an essential determinant of factor in determining the stimuluses and compensation.	0.739		
	Compensation practice is connected to the organization goals and objectives.	0.754	0.55	0.83
	Organizations compensation system is closely connected with its financial results.	0.683		
Employee Involvement ($\alpha=0.780$)	Information is widely shared in this organization.	0.713		
	Collaboration and team work across working functions are vigorously emboldened.	0.683		
	Everyone believes that he/she can make an impact.	0.710	0.61	0.83
	The capacity of employees is regarded as an essential determinant of competitive edge.	0.865		
	The organization relies on horizontal control and coordination.	0.894		
Self -competency ($\alpha=0.780$)	By virtue of my capabilities, I have much potential.	0.825		
	I perform adequately in many important situations.	0.856		

	I perform very well at a number of things.	0.872		
	I am very competent.	0.641	0.66	0.92
	I am very talented.	0.852		
	I deal appropriately with challenges.	0.792		
Team competency ($\alpha=0.750$)	I can contribute valuable insight to a team project.	0.859		
	I can easily facilitate communication between people.	0.846	0.69	0.87
	I am effective at delegating responsibility for tasks.	0.777		
Change competency ($\alpha=0.821$)	I believe, I perform well in job situation following the restructuring.	0.789		
	Provided training, I can perform well following the restructuring.	0.884	0.70	0.82
Communication competency ($\alpha=0.800$)	I am a good listener.	0.906		
	I generally know what type of behaviour is appropriate in any given situation.	0.758		
	I generally know how others feel.	0.914	0.68	0.91
	I say the right thing at the right time.	0.749		
	I deal with others effectively.	0.790		

Ethical competency ($\alpha=0.790$)	I have the strength of will not to be defeated by direct problem or opposition.	0.814		
	I am confident my values, thinking and judgment are appropriate.	0.715		
	I try to positively face up to difficult situations where views clash.	0.703	0.65	0.90
	I make decision based on reliable evidence.	0.889		
	I make decision with priority on the thoughts and values of the organization.	0.893		
Service quality($\alpha=0.882$)	The attitude of employees of the hotel shows their readiness in helping guests.	0.811		
	Employees of the hotel possess the required knowledge in meeting guest's needs	0.975		
	Employees of hotel are competent.	0.855		
	Employees appreciate the significance of resolving guest grievance	0.665		
	The hotel furnishings are elegant and good-looking.	0.905		
	The hotel ambience is excellent	0.964		
	The hotel atmosphere is serene and suitable for the purpose of stay	0.826	0.68	0.97
	The hotel has accessible fire exist	0.784		
	The hotel design enhances guest mobility.	0.627		
The hotel design caters for the needs of guests.	0.620			

	Guest of the hotel feel a sense of belonging	0.730
	The hotel services are evaluated favorably by guests	0.832
	The waiting time for services is realistic	0.740
	Employees try to minimize guest waiting time	0.964
	Employees appreciate the importance of waiting time to guest.	0.886
	Employees show their interest in accelerating service	0.905
Customer satisfaction($\alpha=0.800$)	The hotel is easily accessible	0.931
	Obtaining information about hotel facilities and services via phone, internet, direction signs etc. is easy.	0.972
	The operating hours of the hotel are convenient to guest requirements and expectations.	0.764
	The hotel does not renege in rendering services pledge.	0.652
	The hotel ensure precision in service delivery	0.650
	The hotel offers adaptability in its services to meet guests exigencies	0.688
	Employees of the hotel possess the required skills and knowledge to perform the service	0.815

	Employees of the hotel have in-depth professional knowledge in terms of foreign language, communication skills etc.	0.817	0.64	0.95
	Employees of the hotel possess the requisite knowledge in offering support to guests in relation to recreational facilities, museums and shopping etc.	0.916		
	Employees of the hotel handles guest in an affable demeanor	0.615		
	Employees are courteous at all times	0.929		
	Employees of the hotel provides guests personalized care	0.770		
Room occupancy ($\alpha=0.780$)	The hotel has visually appealing building and facilities	0.999		
	Shops and other sales outlets in the hotel are conveniently located	0.718		
	The dining-out facilities of the hotel are expediently situated	0.728		
	The hotel has sufficient capacity in terms of conference or meetings room and business center facilities etc.	0.671		
	The hotel has state of the art apparatus like elevators, communication and air conditioners devices	0.801	0.64	0.94
	Guest rooms has quality/sufficient accessories	0.798		
	Guest room size is adequate	0.878		

Guest rooms are clean and quite	0.808
Guest room temperature control is of superior quality	0.704

Notes: AVE denotes variances of averages extracted; CR represents reliability of composites. All factor loadings are significant at ($p < 0.05$).

Cronbach's alpha values of constructs ranged between 0.74 and 0.88 which exceeds the suggested threshold of (0.70) (Nunnally and Bernstein, 1994; Kline, 2010). Constructs standard estimates ranged between 0.62 and 0.97 exceeding the recommended criterion of (0.60) or higher (Hair et al., 2010), and statistically significant ($p < 0.05$). Constructs average variance extracted ranged between 0.55 and 0.70 which exceeds suggested threshold of (0.50) indicating higher reliability of a construct (Fornell and Larcker, 1981; Hoyle, 2011; Kline, 2010; Wu et al., 2008). Constructs composite reliability ranged between 0.82 and 0.97 which exceeds the recommended criterion (0.70) indicating consistency adequacy (Fornell and Larcker, 1981; Hair et al., 2006; Hoyle, 2011; Kline, 2010). Results of all the values were above the suggested threshold, confirming convergent validity.

To ensure that scales measuring distinct constructs are not related to each other, a discriminate validity test was performed based on the Fornell and Larcker (1981) discriminant validity criteria.

Table 18 below summarizes the results of the discriminate validity test conducted.

Table 19: Discriminant Validity

	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Training and development	(0.770)												
2. Career development	0.396	(0.825)											
3. Performance appraisal	0.313	0.343	(0.742)										
4. Compensation	0.396	0.195	0.497	(0.742)									
5. Employee involvement	0.313	0.527	0.298	0.303	(0.781)								
6. Self-competency	0.396	0.257	0.135	0.052	0.193	(0.812)							
7. Team competency	0.313	0.133	0.051	0.036	0.134	0.504	(0.831)						
8. Change competency	0.396	0.233	0.134	0.117	0.236	0.537	0.302	(0.837)					
9. Communication competency	0.313	0.240	0.193	0.165	0.243	0.657	0.368	0.601	(0.906)				
10. Ethical competency	0.396	0.324	0.086	0.061	0.305	0.641	0.484	0.556	0.644	(0.806)			
11. Service quality	0.221	0.249	0.118	0.116	0.224	0.211	0.167	0.127	0.215	0.213	(0.825)		
12. Customer satisfaction	0.121	0.136	0.072	0.064	0.122	0.115	0.091	0.069	0.117	0.116	0.167	(0.800)	
13. Room occupancy	0.198	0.233	0.132	0.104	0.200	0.189	0.149	0.113	0.192	0.190	0.127	0.394	(0.794)

Notes: Diagonal values denotes squared root of average variance extracted

It can be inferred that discriminant validity was established since, constructs AVE squared values exceed the correlation among constructs (Fornell and Larcker 1981; Gaski and Nevin, 1985).

4.6 Correlation Analysis.

The degree and direction of the relationship among variables were measured using correlation analysis (Krzanowsk, 1988; Rodriguez, 1982). Proposed and suggested correlation coefficient values were observed (Galton, 1988). The correlation coefficient (r) measures the strength of the association between each pair of variable.

Table 20 reports the correlation matrix computed.

Table 20: Correlation Matrix

Items	Mean	SD	1	2	3	4	5	6	7
1.Training and Development	16.91	4.77	1						
2.Career Development	13.66	3.78	0.389**	1					
3.Performance Appraisal	13.12	3.65	0.317**	0.345**	1				
4.Compensation	12.84	3.61	0.230**	0.195**	0.500**	1			
5.Employee Involvement	16.80	4.47	0.357**	0.530**	0.287**	0.294**	1		
6.Employee Competencies	67.11	16.85	0.371**	0.310**	0.157**	0.120**	0.287**	1	
7.Organizational Performance	121.09	22.83	0.244**	0.235**	0.153**	0.117**	0.255**	0.218**	1

**p<0.01; * p<0.05.

Table **20** shows positive and significant relationship among training and development, employee competencies and organizational performance (r=0.371, r=0.244, p <.05). Furthermore, the correlation matrix indicates a positive and significant correlation between the career development, employee competencies and organizational performance (r=0.310, r=0.235, p <.05). Additionally, there remain a weakly positive but significant relationship between performance appraisal, employee competencies and organizational performance (r=0.157, r=0.153, p <.05). Also, there existed a very weak but positively significant correlation between compensation, employee

competencies ($r=0.120$, $r=0.117$, $p < .05$). Employee involvement was positively and significantly correlated with employee competencies and organizational performance ($r=0.287$, $r=0.255$, $p < .05$). Moreover, the correlation matrix shows positive and significant relationship employee competencies and organizational performance ($r=0.218$, $p < .05$).

4.7 Hypotheses Testing

The research hypotheses developed will be tested using correlation analysis (Churchill and Brown, 2004).

4.7.1 Hypothesis 1

This proposition aims to investigate whether training and development has a significant relationship with employee competencies.

H₀: Training and development is not significantly related to employee competencies

H₁: Training and development is significantly related to employee competencies.

Table 21 summarizes the finding of the correlation matrix.

Table 21: Correlation Matrix: Hypothesis 1

	1	2	p value
1. Training and Development	1		
2. Employee Competencies	0.371**	1	0.000

** $p < 0.01$; * $p < 0.05$.

Training and development was positively and significantly related to employee competencies ($r=0.371$, $p < .05$). Therefore, the findings reject the null hypothesis. This result is compatible with the arguments and findings of Appiah (2010) and Harrison (2000) who contend that training and development generates performance improvement related benefits for the workforce and organization by positively impacting human resource functioning through the enhancement of human resource expertise, competence, knowledge, behaviour and proficiencies. Furthermore, the result parallels findings by other studies which emphasized that the implementation of various training and development programs foster learning and improve competence of overall organizational members (Blackburn, 1995; Bolla, 2000; Jones, 2002).

4.7.2 Hypothesis 2

This proposition seeks to examine whether career development has a significant relationship with employee competencies.

H₀: Career development is not significantly related to employee competencies.

H₁: Career development is significantly related to employee competencies.

Table 22 displays results of the relationship

Table 22: Correlation Matrix: Hypothesis 2

	1	2	p value
1.Career Development	1		
2. Employee Competencies	0.310**	1	0.000

**p<0.01; * p<0.05.

Career development correlated with employee competencies significantly ($r=0.310$, $p <0.05$). Hence, the findings reject the null hypothesis. This result is compatible with the study by Gilley et al. (2009) who contended that career development interventions assist in building a partnership between the organization and its employees, enriching their knowledge, skills, and abilities, by improving individual competencies. Moreover, this result is supported by previous empirical findings of McGraw (2014) who indicated that the effective implementation of individual career management processes significantly enhances employee competency and improve individual performance.

4.7.3 Hypothesis 3

The purpose of this proposition was to investigate whether there exists a significant relationship between performance appraisal and employee competencies.

H₀: Performance appraisal is not significantly related to employee competencies.

H₁: Performance appraisal is significantly related to employee competencies.

Table 23 summarizes the finding of the correlation matrix.

Table 23: Correlation Matrix: Hypothesis 3

	1	2	p value
1.Performance Appraisal	1		

2. Employee Competencies	0.157**	1	0.000
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**p<0.01; * p<0.05.

Performance appraisal is significantly and positively correlated with employee competencies ($r=0.157$, $p < 0.05$). Accordingly, the alternative proposition is accepted. This result is consistent with other authors who found that integrated human resource and performance management strategies has important impact on the commitment and attitude of workforce (Armstrong, 2005; Ostroff, 1992; Young et al., 1995). Additionally, this result provides credence to the empirical evidence adduced by Meyer and Kirsten (2005) who assert that managing performance of human resource constitutes an essential fragment of a firm and manifest how their human capital is being managed.

4.7.4 Hypothesis 4

This proposition aims to examine whether the relationship between compensation and employee competencies was significant.

H₀: Compensation is not significantly related employee competencies.

H₁: Compensation is significantly related employee competencies.

Table 24 displays results of the relationship.

Table 24: Correlation Matrix: Hypothesis 4

	1	2	p value
1.Compensation	1		
2.Employee Competencies	0.120**	1	0.000

**p<0.01; * p<0.05.

Compensation was positively and significantly related to employee competencies ($r=0.120$, $p < 0.05$). Therefore, the findings reject the null hypothesis. This results parallels finding of other studies which found that compensation plays an essential role in firms that rely upon human capital as a stimulus in attracting and retaining experienced employee (Frye, 2004; Guthrie et al., 2001; Iverson et al., 2007; Teseema and Soeters, 2013). Furthermore, this finding supports the supposition of Mayson and Barret (2006) who argue that an organization's capacity in attracting, motivating and retaining competent human resource by offering competitive remuneration and equitable rewards is connected to the organizations efficiency and development.

4.7.5 Hypothesis 5

The purpose of this proposition was to investigate whether employee involvement has a significantly relationship with employee competencies.

H₀: Employee Involvement is not significantly related employee competencies.

H₁: Employee Involvement is significantly related employee competencies.

Table 25 summarizes the finding of the correlation matrix.

Table 25: Correlation Matrix: Hypothesis 5

	1	2	p value
1. Employee Involvement	1		
2. Employee Competencies	0.287**	1	0.000

**p<0.01; * p<0.05.

Employee involvement is significantly and positively correlated with employee competencies (r=0.310, p <0.05). Accordingly, the alternative preposition is accepted. This results parallels findings by other studies which found that employee involvement builds individual competence, control and obligation leading to a concerted foresight, values and aspirations (Gowen, 1990; Rossler and Koelling; 1993). Also, this result is consistent with other several studies which found that human resource, involvement is related positively to the efficiency, performance as well as the satisfaction of the human resources (Denison, 1990; McShane and Von Glinow, 2003; Pfeffer, 1994; Verma, 1995).

4.7.6 Hypothesis 6

This proposition seeks to investigate whether the relationship between employee competencies and organizational performance was significant.

H₀: Employee competencies are not significantly related to organizational performance

H₁: Employee competencies are significantly related to organizational performance

Table 26 summarizes the finding of the correlation matrix.

Table 26: Correlation Matrix: Hypothesis 6

	1	2	p value
1.Employee competencies	1		
2.Organizational performance	0.218**	1	0.000

**p<0.01; * p<0.05.

Employee competencies correlated with organizational performance significantly ($r=0.218$, $p < 0.05$). However, the alternate hypothesis is accepted. This outcome of this hypothesis is compatible with the arguments and findings by several other authors which indicated that employee competencies plays a central role for sustained competitive advantage and determines organizational effectiveness. (Hendry and Pettigrew, 1986; Hoge et al. 2005; Lado and Wilson, 1994; Kamoche, 1996). Furthermore, this result is supported by the findings by Draganidis and Mentzas (2006) who postulated that competencies provides the potential for effectiveness in task performance.

Table 27: Summary of Hypotheses Testing

Hypothesis	Correlation coefficient (r)	p value	Result
H ₁ : Training and development is significantly related to employee competencies	0.371	0.000	Accepted
H ₂ : Career development is significantly related to employee competencies.	0.310	0.000	Accepted
H ₃ : Performance appraisal is significantly related to employee competencies.	0.157	0.000	Accepted
H ₄ : Compensation is significantly related employee competencies.	0.120	0.000	Accepted

H ₅ : Employee Involvement is significantly related to employee competencies.	0.287	0.000	Accepted
H ₆ : Employee competencies are significantly related to organizational performance	0.218	0.000	Accepted

**p<0.01; * p<0.05.

From

Table 27 it can be observed that all six hypotheses were supported and accepted in this data set.

4.8 Structural Equation Modeling (SEM)

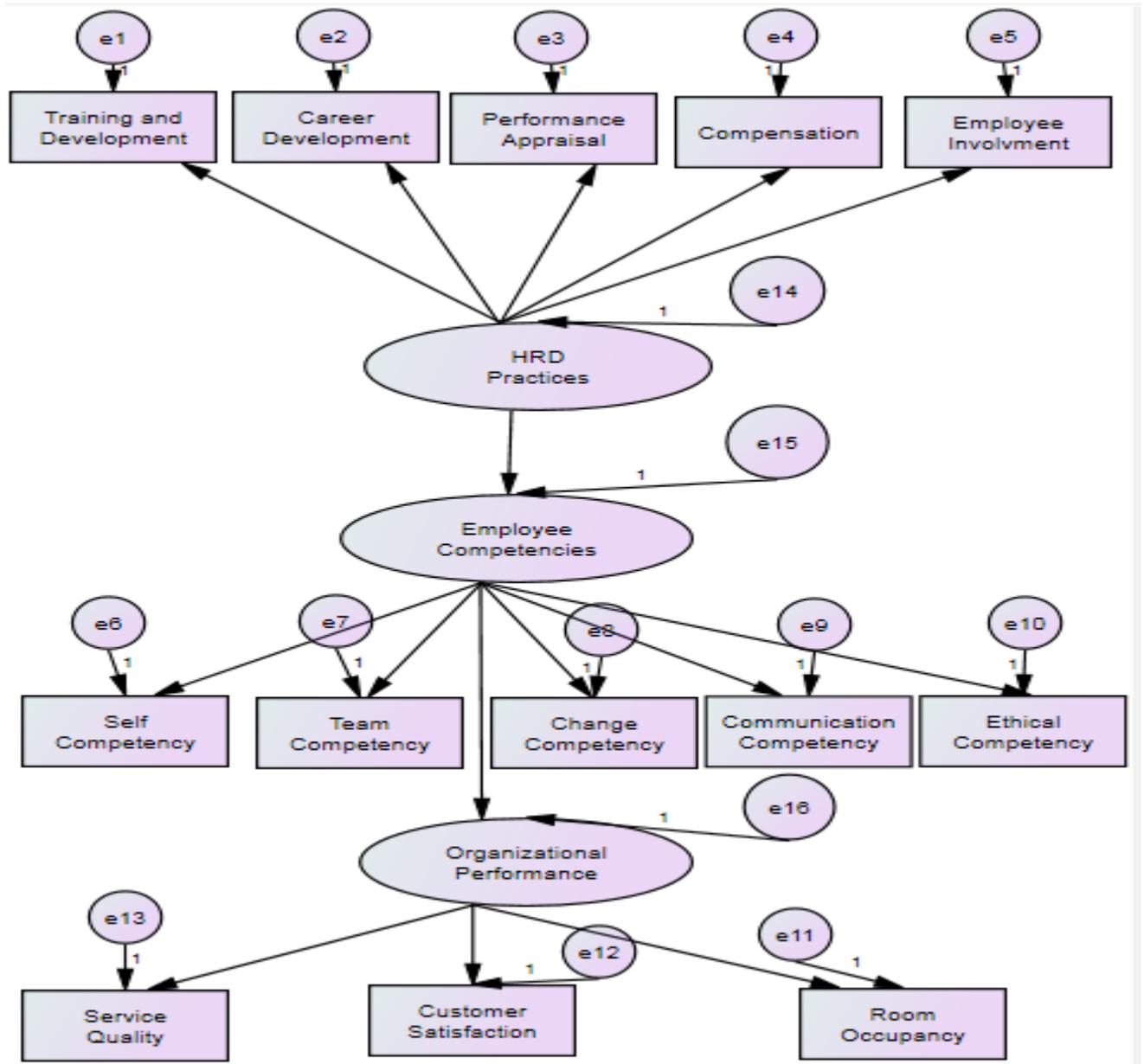
To examine and evaluate causal relationship among variables a Structural Equation Modeling (SEM) was used (McCullum and Austin, 2000). Structural Equation Modeling is a synthesis of two statistical methods: path analysis and confirmatory factor analysis (Hoyle 2011). Structural Equation Modeling consist of a structural and measurement model (Kline 2010). The structural model is used in testing the entire hypothetical dependencies established on path analysis (Hoyle, 2011). The measurement model is used for measuring composite or latent variables (Kline 2010). The Structural Equation Modeling application involves five coherent steps namely: specification, identification, estimation, evaluation and finally validation (Byrne 2013; Hoyle 2011; Kline 2010). Fit indices act as significant pointers for the performance of a model. By virtue of their distinct properties they remain sensitive towards copious determinants, such as the size of the model, missing data, sample size and data distribution (Barrett, 2007; Hu and Bentler, 1999). Fit indices are classified as relative fit and absolute fit indices (Fan and Sivo 2005; Hoe, 2008; Hoyle, 2011; Hu and Bentler 1999).

Absolute fit indices are used in establishing the suitability of a priori model in fitting or replicating the data (Hoe, 2008; Hoyle, 2011). These indices consist of SRMR (standardized root mean square residual), RMSEA (root mean square error of approximation) GFI (goodness-of-fit statistic), AGFI (adjusted goodness-of-fit statistic) and chi-squared test (Bentler and Bonnet, 1980; Byrne 2013; Fan and Sivo 2005; Sharma et al, 2005).

Relative fit indices are referred to incremental fit indices (Bentler, 1999; Tanaka, 1993) or comparative fit indices (Bentler 1990; McDonald and Ho 2002). McDonald and Ho (2002) indicated that, the null hypothesis in such models are formulated as entire variables are

uncorrelated. Relative fit indices consist of normed fit, tucker-lewis or non -normed fit and comparative fix (Bentler and Bonett 1980; Bentler 1990; Hoyle 2011; Hu et al., 1995).

Figure 1: Structural Equation Model



4.9 Report of the SEM Results

This section presents a Structural Equation Modeling report which consist of the entire estimation and modeling process and fit indices.

4.9.1 Chi-square (χ^2) test

Table 28 displays the results of the chi-square test.

Table 28: Chi-squared (χ^2) test

Model	NPAR	χ^2	Df	P	χ^2/df
Default model	57	119.456	37	0.000	3.22
Saturated model	91	0.000	0		
Independent model	13	4528.402	78	0.000	58.056

Note: NPAR= number of distinct parameters (q) being estimated, χ^2 = minimum value, of the discrepancy, df = number of degrees of freedom $p = p$ value

Chi-square/df ratios of (3.22) were lower than the suggested threshold (i.e., <5.0) indicating a reasonable fit (Byrne 2013; Hoyle 2011; Kline 2010). This result parallels findings of several other authors (Hoe, 2008; Hu and Bentler, 1999; Wheaton et al., 1977) who contend that recommendations of χ^2 test ranged between 5 and 2. However, several other authors (Byrne 2013; Fan and Sivo 2005; Sharma et al, 2005) postulate that one should not be overly concerned regarding the χ^2 test because of its sample size sensitivity as well as its incomparability among different SEMs.

4.9.2 Root Mean Square Error of Approximation (RMSEA) Index

Table 29 below presents the result of the RMSEA index

Table 29: Root Mean Square Error of Approximation (RMSEA) Index

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.047	0.038	0.057	0.685
Independent model	0.238	0.232	0.244	0.000

RMSEA value of 0.047 was lower than the suggested threshold (. i.e., <0.06) indicating a good fit (Brown and Cudeck 1993; Hoe 2008). This result is compatible with other empirical studies of several other authors (Byrne 2013; Hoyle 2011; Kline 2010) who remarked that acceptable RMSEA index should be less than 0.06. Furthermore, these results support the supposition of

several other authors who found that RMSEA is useful for detecting model misspecification (Bentler and Bonnet, 1980; Brown and Cudeck 1993; Byrne 2013)

4.9.3 Goodness-of-fit Index

Table 30 below encapsulate the results of the goodness to fit statistics.

Table 30: Goodness-of-fit Index

	SRMR	GFI	AGFI	PGFI
Default model	0.040	0.983	0.958	0.400
Saturated model	0.000	1.000		
Independent model	9.793	0.486	0.400	0.416

Note: SRMR= standardized root mean square residual; **GFI**= goodness to fit index; **AGFI**= adjusted goodness to fit index, PGFI = parsimony goodness to fit index.

SRMR value of (0.04) was lower than the suggested threshold (i.e., <0.05) indicating a good fit (Fan and Sivo 2005; Hoyle 2011; Kline, 2011). In addition, all other indices (i.e., GFI and AGFI estimates) exceeded the recommended criterion of (0.95) indicating a good fit (Jöreskog and Sörbom, 1996; Tabachnick and Fidell, 2007; Tanaka and Kuba, 1985). This result parallels finding by other studies which indicated that SRMR values less than (0.05) as well as GFI and AGFI exceeding (0.95) indicates a good fit (Hooper et al., 2000 a, b; Miles and Shevlin, 1998; MacCallum and Hong 1997). However, Sharma et al. (2005) postulate that the goodness to fit and adjusted goodness to fit indices as highly sensitive to sample size and not recommended for use.

4.9.4 Base line Comparisons

Table 31 below presents the results of the base line comparisons.

Table 31: Base line Comparisons

Model	NFI	RFI	IFI	TLI	CFI
Default model	0.974	0.944	0.982	0.961	0.981
Saturated model	1.000		1.000		
Independent model	0.000	0.000	0.000	0.000	0.000

Note: NFI=, normed fit index; RFI= relative fit index; IFI= incremental fit index, TLI=Tucker-Lewis index; CFI=Comparative fit index.

The TLI as well as the CFI exceeded the recommended criterion (0.95) indicating a good fit (Bentler 1990, Bentler and Bonnet, 1980; Fan et al. 1999; Schermelleh-Engel and Moosbrugger, 2003). In addition, all other indices (i.e., NFI and IFI estimates) exceeded the recommended criterion of (0.95) signifying a good fit (Bollen, 1990; Bentler and Bonnet, 1980; Hooper et al. 2008a, b). This result supports the supposition of Hu and Bentler, (1999) who contend that, a greater value of TLI and CFI are required to avoid the acceptance of misspecified models and recognized TLI and CFI exceeding 0.95 as indicative of a good fit. However, Bentler (1990) and Hoyle (2011) assert that the Normed fit index (NFI) is highly sensitive to samples size and an obsolete measure of fit hence not recommended for use.

4.10 Objective of the study

The research objectives developed was tested using structural equation modelling (SEM).

4.10.1 Objective 1

To analyze the human resource development practices prevailing in the hotel industry. The human resource development practices examined in this study were training and development, career development, performance appraisal, compensation as well as employee involvement. The standardized estimates values of the human resource development practices are encapsulated in **Table 32.** below

Table 32: Measurement Model: HRD Practices

Relationships	Standardized Estimates	Std. error	p value
Training and Development <--- HRD Practices	0.550	0.204	0.000
Career Development <--- HRD Practices	0.779	0.152	0.000
Performance Appraisal <--- HRD Practices	0.440	0.129	0.000
Compensation <--- HRD Practices	0.403	0.191	0.000
Employee Involvement <--- HRD Practices	0.677	0.170	0.000

From the above table it can be observed that the standardized estimates and standard error values of human resource development practices ranged between 0.403 and 0.779 with standard error of 0.129 and 0.204. Career development had the highest standardized estimate of 0.779 (SE=0.152), while compensation had the lowest standardized estimate of 0.403 (SE=0.191). The results support objective 1 since, the selected practices were significant ($p < 0.05$). This result is compatible with the arguments and findings of Yuvaraj and Mulugeta (2013) who contend that human resource development practices unceasingly enhances employee’s competencies and efficiency through existing methods of organizational development, performance appraisal and management, career development and training and development. Furthermore, this result is consistent with other studies which recognized recruitment and employee outplacement, compensation, performance appraisal, career development, employee relations, training and development and employee involvement as human resource development practices (Rao ,1987; Riordan et al., 2005; Ruona and Gibson, 2004; Smith, 1988; Smith and Walz, 1984).

4.10.2 Objective 2

To evaluate the impact of human resource development practices on employee competencies. As alluded to in objective one above, training and development, career development, performance appraisal, compensation and employee involvement were chosen as HRD practices. Hence the following sub –objectives are indicated below.

2.1. The impact of training and development on employee competencies. **Table 33** displays results for testing this objective.

Table 33: Measurement Model: Predicting Employee Competencies

Relationships	Standardized Coefficient	Std. Error	R^2	p value
	B			
Employee Competences <--- Training and Development	0.400	0.009	0.23	0.000

The above table indicates training and development had a positive and significant impact on employee competencies ($B=0.400$, $p < 0.05$) which implies that for every unit increase in training and development, there is a 0.400 increase in employee competencies. The $R^2(0.23)$ indicates that

23% of the variance of employee competencies are explained and attributed to training and development. The results therefore support objective 2.1. This results parallels findings by other studies which found that, training and development improves the expertise and competence of employees, which sequentially, boost their efficiency and performance (Chang et al., 2011, Mertens, 2000; Salas and Cannon, 2001; Youndt, et al., 1996 Youndt and Snell, 2004). Moreover, this result parallels findings of several other authors who emphasized that training and development improves the competencies of employees which are contributory in enhancing general performance (Barzegar and Farjad, 2011; Cheng and Brown, 1998; Swanson, 2001). However, However, Tzafrir (2005) posited that it was reasonable in inferring that financing training yields certain unfavorable consequences particularly where there is no mutual dedication from the work force. Similarly, Hitt et al. (2001) postulate that investments in training produces unfavorable consequences on outcomes until knowledge is transferred. This notwithstanding, Swieringa and Wierdsma (1992) opined that for organization to contend with the accelerated altering conditions, it is expedient to endow in reeducation, improvement, modernizing as well as transforming the dexterities of the current employees. Along the same lines, several other authors deliberate that in order to encourage industry keenness and organizational functioning employee training and development is an important adjunct (Agnew et al., 1997; Ward et al., 1994).

2.2. The impact of career development on employee competencies. **Table 34** below summarize the results of this objective.

Table 34: Measurement Model: Predicting Employee Competencies

Relationships	Standardized Coefficient	Std. Error	R ²	p value
Employee Competences <--- Career Development	0.092	0.012	0.233	0.021

The above table shows that career development had a positive and significant impact on employee competencies ($B=0.092$; $p < 0.05$). Hence, for every unit increase in career development, there is a 0.092 increase in employee competencies. The R^2 value of (0.233) indicates the prediction and explanation power of career development on employee competencies. The results therefore support objective 2.2. This result is consistent with the empirical findings of McGraw (2014) who

emphasized that the effective implementation of individual career management processes significantly enhances employee competency and improve individual performance. Also, this result supports the contention of McDonald and Hite (2005) who deliberates that, career development interventions enhance employee’s positive attitude towards the organization. However, several other authors (Guerrier and Deery,1998; Lee-Ross,1999; Lucas,1995) contend that career development expectations are not many in the industry as well as attempts in employee retention through stimuluses or elevations are the exception than the rule. This notwithstanding, Gilley et al. (2009) opined that career development interventions assist in building a partnership between the organization and its employees, enriching their knowledge, skills, and abilities, by improving individual competencies.

2.3. The impact of performance appraisal on employee competencies. **Table 35** presents the results of this objective.

Table 35: Measurement Model: Predicting Employee Competencies

Relationships	Standardized Coefficient	Std. Error	R ²	p value
	B			
Employee Competences <--- Performance appraisal	-0.069	0.014	0.233	0.120

Table 4.34 produced an unexpected result performance appraisal had no significant impact on employee competencies ($B= -0.069$). Therefore, every unit increase in performance appraisal, will culminate in a -0.069 decrease in employee competencies. Consequently, performance appraisal did not make a significant contribution in predicting employee competencies ($p >.05$). Results do not support objective 2.3. This result is not consistent with other studies which found that integrated human resource and performance management strategies has important impact on the commitment and attitude of the workforce (Armstrong, 2005; Ostroff, 1992; Young et al., 1995). Furthermore, this result supports the findings by Osman et al. (2011) who contended that an ineffectual appraisal procedure results in numerous undesirable challenges comprising stalled employee efficiency, less morale, less enthusiasm in supporting organizational values and

objectives, consequently stalling the effectiveness of the organization. Nonetheless, Meyer and Kirsten (2005) deliberates that managing performance of human resource constitutes an essential fragment of a firm and manifest how their human capital is being managed.

2.4. The impact of compensation on employee competencies. **Table 36** displays results for testing this objective.

Table 36: Measurement Model: Predicting Employee Competencies

Relationships	Standardized Coefficient	Std. Error	R^2	p value
	B			
Employee Competences <--- Compensation	-0.031	0.013	0.233	0.442

As displayed in Table 39 the beta value shows a negative and non-significant impact of compensation on employee competencies ($B = -0.031$). Hence every unit increase in compensation will result to a -0.031 decrease in employee competencies. Consequently, compensation did not make a significant contribution in predicting employee competencies ($p > .05$). The results therefore do not support objective 2.4. This result is not compatible with the findings and arguments of Mayson and Barret (2006) who postulated that an organization’s capacity in attracting, motivating and retaining competent human resource by offering competitive remuneration and equitable rewards is connected to the organizational efficiency and development. Additionally, these results contradict the findings by Frye (2004) who posited that compensation plays an essential role in firms that rely upon human capital as a stimulus in attracting and retaining experienced employee. However, Armstrong (2009) stressed that compensation is an integral approach to productivity improvements in organizations. Similarly, Sola and Ajayi (2013) stated that compensation was a primary motivating factor for employees to continuously strive for greater heights. They further emphasized that a well-structured compensation system is imperative to the success of an organization.

2.5. The impact of employee involvement on employee competencies. **Table 37** below summarize the results of this objective.

Table 37: Measurement Model: Predicting Employee Competencies

Relationships	Standardized Coefficient	Std. Error	R^2	p value
B				
Employee Competences <--- Employee Involvement	0.121	0.010	0.233	0.002

The above table shows that employee involvement had a positive and significant impact on employee competencies ($B=0.121$, $p < 0.05$). The R^2 value of (0.233) indicates the prediction and explanation power of employee involvement on employee competencies. The results therefore support objective 2.5. This result is compatible with the findings and arguments by Ardichvili et al. (2003) who emphasized that employee involvement is an essential element in the effective execution of contemporary management strategies as well as plays a significant role in ascertaining the extent of job satisfaction, increase employee commitment and motivation. Furthermore, this result is consistent with earlier empirical studies which found that employee involvement is related positively to the efficiency, performance as well as the satisfaction of the human resources (Denison, 1990; McShane and Von Glinow, 2003; Pfeffer, 1994; Verma, 1995). Similarly, the result supports the findings by Chu et al. (1995) accentuated that employee involvement helps achieve better implementation of customer focus, quality and continuous improvements.

4.10.3 Objective 3

To study the impact of employee competencies on the performance of the hotel industry. **Table 38** displays results for testing this objective.

Table 38: Measurement Model: Predicting Organizational Performance

Relationships	Standardized Coefficient	Std. Error	R^2	p value
B				
Organizational Performance <--- Employee Competencies	0.211	0.037	0.176	0.000

Table 41 indicates that employee competencies are positive and significant predictors of organizational performance ($B=0.211$, $p < 0.05$). Hence every unit increase in employee competencies will culminate to a 0.211 increase in organizational performance. The $R^2(0.176)$

indicates that 18% of the variance of organizational performance are explained and attributed to employee competencies. The results therefore support objective 3. These results parallels findings of other empirical studies which found that improvements in employee competencies significantly enhances organizational performance in the following respect: organizational outcomes, financial outcomes and non-financial outcomes. Organizational outcomes in terms of productivity, Financial outcomes in terms of revenues or profits and non-financial outcomes in terms of increases in employee engagements and career developments (Adanu, 2007; Asree et al., 2010; Brooks and Nafukho, 2006; Caniëls and Kirschner, 2010; Junaidah, 2008; Levenson, 2005; Lockhart, 2013; Palan, 2005; Rose et al., 2006). Moreover, this result is supports the findings by Bhardwaj (2013) and Levenson et al. (2006) who contend that improvements in employee competencies affects the behaviour of individuals, teams and organizational effectiveness. Also, these results support the supposition by Cartwright and Baron, (2002) when they contend that the accomplishment of an expected strategic outcomes hinges on the employee's coherence, interaction, harmonization, dedication and the improvements of suitable competencies.

4.10.4 Objective 4

To study the role of employee competencies on the association between HRD practices and organizational performance.

To achieve the objective a mediation analysis was performed. Mediation is an essential concept in my studies. The classical product method of mediation developed by Baron and Kenny (1986) was used in testing this objective. Baron and Kenny (1986) suggested four necessities aimed at establishing mediation using the classical product method. However, MacKinnon, et al. (2007) posited that as a result of illogical mediation, the first condition is not applied by majority of researchers. The necessities put forward by Baron and Kenney are discussed below.

1. The coefficient is not zero, when the mediator is disregarded as result of the cause affecting the outcome.
2. If the cause is affected by the mediator, the coefficient (a) is not zero.
3. The coefficient (b) is not zero, when the mediator manipulates the cause as a result of affecting the outcome.
4. To assert that mediator is absolutely accountable for the relationship between the cause and outcome the coefficient (c') should be zero.

The underlying principle of the classical product method is elucidated in **Figure 2** below where human resource development practices, employee competencies and organizational performance denotes the cause, mediator and the outcome. The direct effects of the path coefficients are epitomized as a, b and c'. **Table 39** reports the standardized direct, indirect and total effect of human resource development practices.

Figure 2: Model of Mediation with Path Coefficients

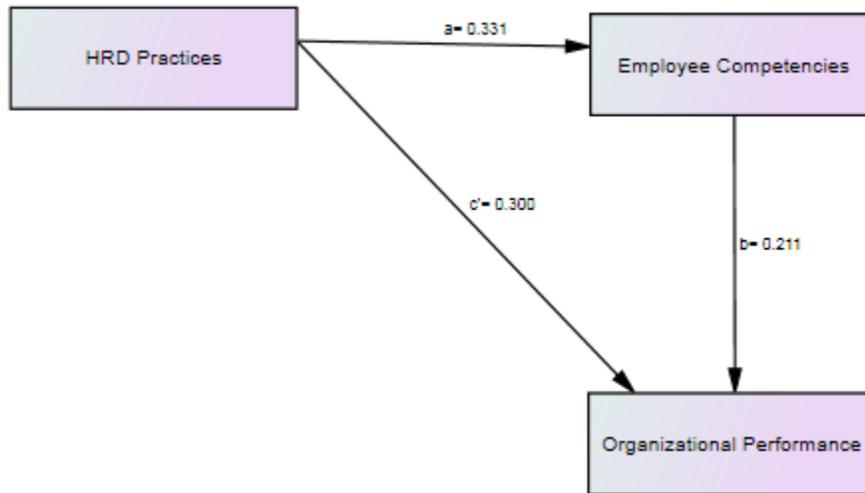


Table 39: Standardized direct, indirect and total effects of HRD Practices

	HRD Practices			
	Direct	Indirect	Total effect	P value
Employee competencies	0.331		0.331	0.000
Organizational performance	0.300	0.07	0.37	0.000

The above table indicates that human resource development practices had a positive indirect (mediated) effect on organizational performance (0.07) which implies that for every unit increase in human resource development practices, there is a 0.07 increase in organizational performance. Furthermore, human resource development practices had a significant mediated effect on organizational performance ($p < 0.05$). Therefore, objective 4 is supported. 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). Accordingly, this study can report that employee competencies mediates the association between HRD practices and hotel industry's performance. This result is compatible with the findings and arguments of Nilsson and Ellstrom (2012) who postulate 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. Furthermore, these results support the findings by several other authors who advocated that the choice of an appropriate candidates aimed at suitable locus must be linked with the enhancement and improvement of employee competencies pertinent to the goals and plans of the organization (Lee, 2010; Hellriegel and Slocum, 2011; Naquin and Holton, 2006). Also, this results parallels findings by others study which found that the enhancement and improvements of employee proficiencies are very crucial for organizational performance leading to enhanced employee functioning, greater efficiency and assist in creating essential competencies for firms (Bhardwaj, 2013; Clardy, 2008; Kehoe and Wright, 2013; Levenson et al. 2006).

Table 40: Summary of Objectives

Objectives	Standardized Coefficient (B)	Std Error	p value
1.To analyze the human resource development practices prevailing in the hotel industry.			
1.1 Training and Development	0.550	0.204	0.000
1.2 Career Development	0.779	0.152	0.000
1.3 Performance Appraisal	0.440	0.129	0.000
1.4 Compensation	0.403	0.191	0.000
1.5 Employee Involvement	0.607	0.170	0.000
2.To evaluate the impact of human resource development practices on employee competencies.			
2.1 Impact of training and development on employee competencies	0.400	0.009	0.000

2.2 Impact of performance appraisal on employee competencies	0.092	0.012	0.021
2.3 Impact of career development on employee competencies	-0.069	0.014	0.120
2.4 Impact of compensation on employee competencies	-0.031	0.013	0.442
2.5 Impact of employee Involvement on employee competencies	0.121	0.010	0.002
3. To study the impact of employee competencies on the performance of the hotel industry.	0.211	0.037	0.000
4. To study the role of employee competencies on the association between HRD practices and organizational performance.	Direct effect	Indirect effect	
	0.300	0.07	0.000

From table 43 it can be observed that all the four objectives were supported in this data set. However sub-objective 2.3 and 2.4 of objective 2 were not supported.

4.11 Multi-Group Moderation

Hotel classification systems are widely used in the accommodation sector as a means of providing to both clients and intermediaries on the standard to be found at individual establishments (WTO, 2015). The rating system provides consumers with an easy way to compare hotels (Gilbert 1990, Gee, 1994; Callan, 1995). The symbol most universally recognized is stars, as most countries have at least one rating system using stars to represent quality grades (Callan,1993; Kozak and Rimmington, 1999, Narangajavana and Ho,2008, Stutts, 2001). A multi-group moderation analysis with maximum likelihood criterion was applied in assessing the degree of correlation in the classification of hotels. Constrained and unconstrained models were run to measure whether the relation between human resource development practices, employee competencies and organizational performance changes as a function of hotel classifications (Baron and Kenny, 1986; Aiken et al., 1991). **Figure 3** below depicts the multi-group moderation.

Figure 3: Multi-Group Moderation

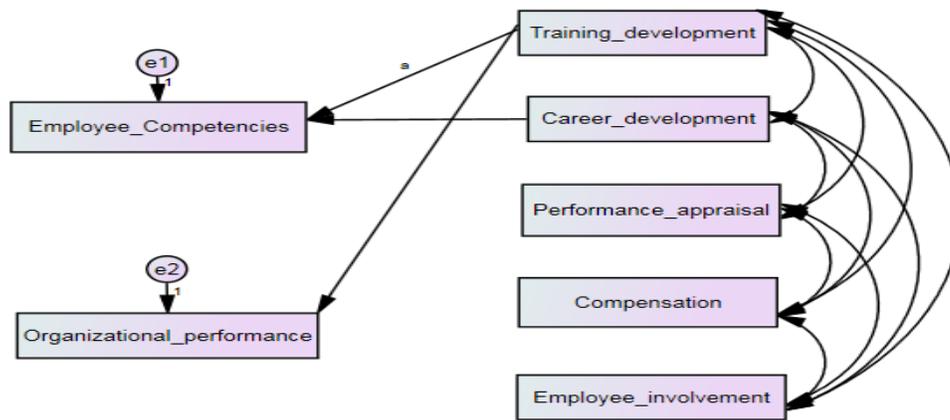


Table 41 report the constrained and unconstrained model with hotel calssification as a moderator. Similary **Table 42** encapsulates the path by path analysis of the relationship between constructs

Table 41: Multi-Group Moderation

Hotel classification as a Moderator					
Parameters	Unconstrained Model	Constrained Model	Model Difference	Groups	P-value
Chi-square	112.574	159.169	46.59		
Degree of freedom	32	38	6	4	0.000

Table 42: Path by Path Analysis

Parameters	Chi-square Threshold	5 star	4 star	3star	2 star	Df	P-value
90% confidence	120.35					35	0.000
Difference							7.78
95% confidence	122.06					35	0.000
Difference							9.49

99% confidence	125.85					35	0.000
Difference							
13.28							
Employee competencies <--- Training and development	132.523	0.269	0.250	0.219	0.210	35	0.000
Employee competencies <--- Career development	113.450						
Organizational performance <- -- Training and development	139.124	188	154	148	146	35	0.000

At 99% confidence level (132.523) 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, at 99% confidence level (139.124) 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. This result is consistent with the contentions of Ordanini et al. (2011) and Pikkemaat et al. (2005) who indicated that four to five-star rated hotels are synonymous with luxury and provide excellent and extensive facilities, a high quality of service and highest degree of personal service. Furthermore, this result parallels findings of other studies which found that when choosing hotels, guests staying in three to five star rated hotels use rating systems more often than those staying at one and two star rated hotels (Callan, 1995; Gilbert 1990).

4.12 Conclusions

This chapter explains the entire techniques espoused. The demographic statistics as well as characteristics of respondents were discussed at the beginning of this chapter. A descriptive analysis was performed to measure the respondents' perceptions and evaluations of variables and constructs examined in the study. Skewness and kurtosis values were observed in estimating normality. Cronbach Alpha Statistic was used in assessing the stability and reliability of the scales. The Cronbach alpha estimates of the items of the measurement instrument exceeded the recommended threshold, an indication that the measurement instrument was reliable. To ensure measures were discriminately and convergently valid, researcher performed confirmatory factor analysis. In addition, a discriminate validity test was performed to ensure that scales measuring

distinct constructs are not related to each other. The hypothesis developed for the study was tested using correlation analysis and all the six hypothesis were accepted in the data set. SEM was applied in testing the study objectives. Structural model test indicates a good fit. Hence, overall structure reflects desirable psychometric properties. 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. Furthermore, the Baron and Kenney (1986) classical product method of mediation was used in studying the role of employee competencies on the association between human resource development practices and organizational performance. The necessities aimed at establishing mediation using the classical product method was observed and the results obtained were in conformity with the recommendations of Baron and Kenny (1986). Finally, a multi-group moderation analysis with maximum likelihood criterion was applied in assessing the degree of correlation in the classification of hotels.