



MAKERERE UNIVERSITY BUSINESS SCHOOL

**HUMAN CAPITAL, WORKING ENVIRONMENT, EMPLOYEE PERFORMANCE
AND SERVICE QUALITY IN ACCOMMODATION FACILITIES IN KAMPALA CITY**

TUSHABE SYLVIA

REG NO: 2014/HD10/308U

STUDENT NO: 202000852

**A DISSERTATION SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES AND
RESEARCH IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
AWARD OF THE DEGREE OF MASTER OF HOSPITALITY AND TOURISM
MANAGEMENT (MTHM) OF MAKERERE UNIVERSITY**

PLAN 'A'

OCTOBER 2018

DECLARATION

I, **TUSHABE SYLVIA**, declare that, this dissertation is my original work and that it has never been presented to any University or institution for the award of any academic qualification.

Signed..........

Date.....*12th October 2018*.....

TUSHABE SYLVIA

2014/HD10/308U

APPROVAL

This is to certify that this study has been carried out under my supervision as a University supervisor.

Signed..... *Kase*

Date..... *16/10/2018*

Dr. Kasekende Francis (PhD)

Makerere University Business School

Signed..... ~~*[Signature]*~~

Date..... *17/10/2018*

Mr. David Nabakira Kaggwa

Makerere University Business School

ACKNOWLEDGEMENT

Extreme gratitude goes to the almighty God for enabling me to accomplish this course. I thank God for the gift of life and all providence.

Special appreciation goes to my supervisors Dr. Francis Kasekende and Mr. David Nabakira Kaggwa for their guidance during the writing and development of this dissertation.

Great appreciation goes to my husband Mr. Byarugaba Bash Nelson, my children Peter Collins Byarugaba, Noella Patience Kemigisha and James Jolly Karugaba for their moral support.

My great thanks go to YMCA COMPREHENSIVE INSTITUTE management for paying half of my tuition and for giving me a conducive environment.

TABLE OF CONTENTS

DECLARATION	Error! Bookmark not defined.
APPROVAL	Error! Bookmark not defined.
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
ABSTRACT	ix
CHAPTER ONE	10
INTRODUCTION	10
1.1 Background of the Study	10
1.2 Statement of the Problem.....	12
1.3 Purpose of the Study	12
1.4 Objectives the Study	12
1.6 Scope of the Study	13
1.7 Significance of the Study	13
1.8 Conceptual framework.....	14
1.9 The Accommodation Sector in Kampala City	15
CHAPTER TWO	18
LITERATURE REVIEW	18
2.0 Introduction.....	18
2.1 Service Quality.....	18
2.2 Employee Performance	20
2.3 Human Capital	20
2.4 Working Environment	21
2.5 Human Capital and Employee Performance.....	22
2.6 Working Environment and Employee Performance	25
2.7 Employee Performance and Service Quality	29
Conclusion	34
CHAPTER THREE	36
METHODOLOGY	36
3.0 Introduction.....	36

3.1 Research Design.....	36
3.2 Study Population.....	36
3.3 Sample size and Sampling Method.....	37
3.4.0 Questionnaire	37
3.4.1 Data Collection	38
3.5 Measurements of Variables.....	38
3.6 Validity and Reliability of Variables	38
3.7 Data Processing and Analysis.....	39
3.8 Ethical Issues	40
CHAPTER FOUR.....	41
PRESENTATION AND INTERPRETATION OF FINDINGS.....	41
4.0 Introduction.....	41
4.1 Background characteristics of the sample.....	42
4.2 Aggregating Data	43
4.3 Factor Structure of Service Quality	44
4.4 Descriptive Statistics for Study Variables	49
4.5 Correlation Analysis	50
4.5.1 The Relationship between Human Capital and Employee Performance	50
4.5.2 The Relationship between Working Environment and Employee Performance	51
4.5.3 The Relationship between Employee Performance and Service Quality	51
4.6 The Regression Analysis.....	52
CHAPTER FIVE	54
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS.....	54
5.0 Introduction.....	54
5.1 Relationship between Human Capital and Employee Performance	54
5.2 Relationship between Working Environment and Employee Performance	56
5.4 Relationship between Human Capital, Working Environment, Employee Performance and Service Quality Accommodation Facilities in Kampala City.....	59
5.6 Recommendations.....	60
5.7 Limitations of the Study.....	61
5.8 Areas for Further Research	63

REFERENCES	64
APPENDICES	68
Appendix one: Research Questionnaire.....	68
Appendix Two: Correlation Analysis (Detailed).....	76

LIST OF TABLES

Table 1: The table below summarizes the sampling plan	37
Table 2: Reliability analysis[summary statistics]	39
Table 3: Demographic Characteristics for Accommodation Facilities.....	42
Table 4: Factor structure of Service Quality.....	44
Table 5: Factor structure of human capital	45
Table 6: Factor structure of working Environment.....	46
Table 7: Factor structure of Employee Performance	48
Table 8: Descriptive analysis	49
Table 9: Correlation Analysis [Summarized]	50
Table 10: Regression Analysis.....	52

ABSTRACT

The study examined the relationship between human capital, working environment, employee performance and service quality in accommodation facilities in Kampala City.

A cross-sectional survey design was used to investigate the relationship between human capital, working environment, employee performance and service quality in accommodation facilities in Kampala City. Questionnaires were used to collect data from a sample of 92 accommodation facilities obtained from the population of 120 registered rated accommodation facilities in Kampala. Each facility was given three questionnaires. At least 77 accommodation facilities returned 2 questionnaires each. These were aggregated to enable the researcher test the objectives developed from the literature review.

The results suggest that both human capital and employee performance are positive and significant predictors of service quality. Work Environment found to be a non-significant predictor of service quality.

It is recommended that accommodation facilities management should invest in human capital and employee performance for improvement in service quality.

CHAPTER ONE

INTRODUCTION

This section presents the study's background, problem statement, the purpose of the study, specific objectives, and research questions, significance of the study and scope of the study, conceptual framework and testing ground.

1.1 Background of the Study

Service quality has become a major area of attention during the past few decades for managers, researchers and practitioners because of its huge impact on business performance. Service quality is critically important in providing a competitive advantage to the organization as it is influential on the various factors such as customer satisfaction (Amin, Isa and Ismayatim, 2013), loyalty (Kim et al., 2013; Prentice, 2013) intentions (Hooper et al., 2013) and value perceptions (Wu, 2013). For service quality to exist, there is a necessity for certain aspects to be present. Studies have shown that investments in human capital are essential for sustaining economic growth over time. Heavy investment in the training of workers and a better-educated labour force are given credit for much of the growth in per capita incomes and economic productivity of countries such as the United States, Japan, and many European nations (Mehra and Gupta, 2014). Aryee, Walumbwa, Seidu and Otaye (2016) argue that, competent, trained and well-informed employees with the right attitude to offer prompt and reliable services with the help of modern equipment and information technology can be a source of competitive advantage. Employees, however, are the bridge between customers and organization and have a direct influence on customers' perceptions of service quality performance (Anitha, 2014). Sharma, Kong and Kingshott (2016) stated that one of most influential factors on customers' perceptions of service quality is the employees. Amit, Mehra and Gupta (2014) argue that; investment of human capital is more effective than that of

physical investment. High-quality training contributes not only to employee's human capital but also to enhancing performance, commitment and service quality (Bushiri et al., 2014). Service organization requires employees who are committed to delivering the expected service by creating the right environment.

According to Wei and Yan (2010), service quality cannot be accomplished only by engaging well educated and trained employees but it will depend on the organizational environment and organizational structure. A study by Benn, Teo and Martin (2015) indicates that improving the working environment reduces complaints and absenteeism while increasing productivity and service quality. The development of employee skills also appears as a core element of many regeneration strategies for business performance via improvement in service quality. However, this may not be the case as it is with accommodation facilities in Uganda.

Accommodation facilities and eating houses are a critical component of Uganda's tourism sector United Nations Development Program Report (UNDP, 2015). These accommodation facilities are facing many challenges which are closely connected to poor service quality. Poor service is one of the problems that plague the accommodation industry in Uganda. Service staff is not responsive and are unfriendly, sanitation in public restrooms is extremely wanting, rooms are smelly and dirty some do not have air conditioners, the linen poorly ironed and some employees are not sympathetic when something goes wrong they cannot apologize (World Bank Report, 2015). All these have greatly negatively affected service quality in accommodation facilities in Uganda. This means that accommodation facilities have to quickly come up with appropriate strategies if they are to maintain their quality of service.

1.2 Statement of the Problem

According to the UNDP Report (2015), service quality in some of Uganda's accommodation facilities has continued to deteriorate. It is characterized by sluggish service, un-friendliness of staff, unreliable service and poor tangibles such as beddings, rooms' setup, and cutlery. This poor service may be attributed to unskilled human capital, unfavourable working environment and poor employee performance.

1.3 Purpose of the Study

The purpose of the study was to investigate the relationship between human capital, working environment, employee performance and service quality in accommodation facilities in Kampala City.

1.4 Objectives the Study

1. To establish the relationship between human capital and employee performance in accommodation facilities in Kampala City.
2. To establish the relationship between working environment and employee performance in accommodation facilities in Kampala City.
3. To find out the relationship between employee performance and service quality in accommodation facilities in Kampala City.
4. To find out the relationship between human capital, working environment, employee performance and service quality in accommodation facility in Kampala City.

1.5 Research Questions

1. What is the relationship between human capital and employee performance accommodation facilities in Kampala City?

2. What is the relationship between working environment and employee performance in accommodation facilities in Kampala City?
3. What is the relationship between employee performance and service quality in accommodation facilities in Kampala City?
4. What is the relationship between human capital, working environment, employee performance and service quality in accommodation facilities in Kampala City?

1.6 Scope of the Study

1) Geographical Scope

The study was limited to accommodation facilities within Kampala City. There are many accommodation facilities for example Inns, guest houses, hotels, motels, lodges and cottages where many travellers find that service quality is inconsistent (World Bank Report, 2015).

2) Subject Scope

The study was limited to the concepts of service quality, human capital, working environment and employee performance. The study concentrated on employees and not customers because service equality is based on internal and external customers. The staffs are able to evaluate themselves on how service quality can be rated.

3) Time Scope

This research study was carried out from second January 2017 to April 2018.

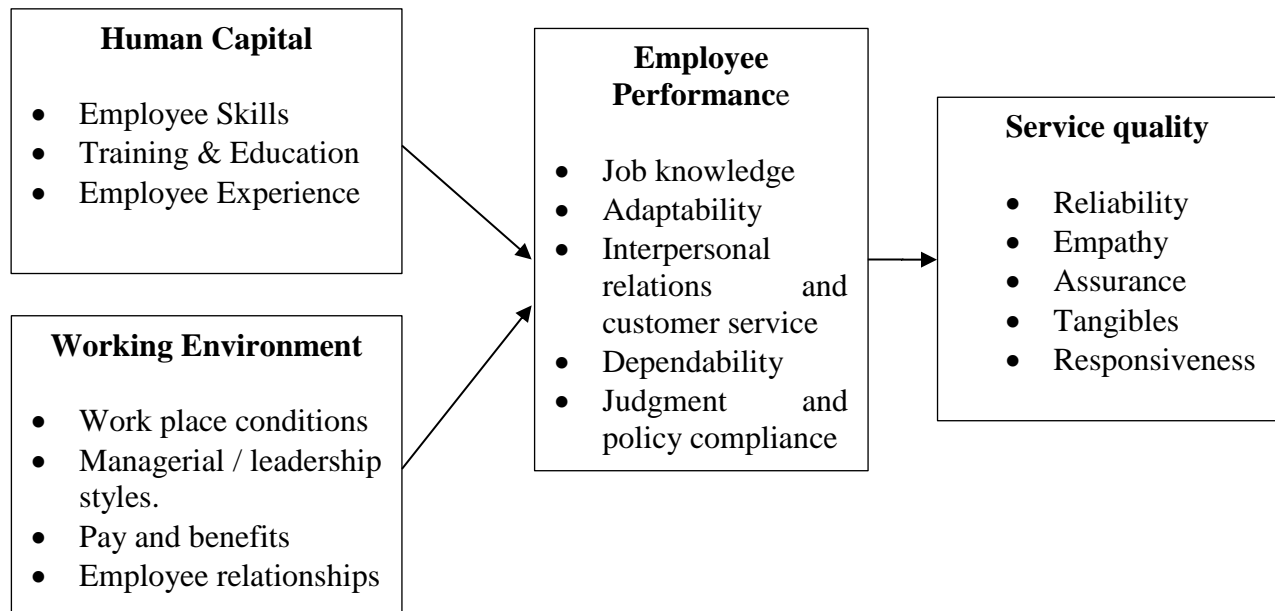
1.7 Significance of the Study

This study was deemed important for the following reasons:

- 1) Ministry of Tourism, Wildlife and Antiquities will use the findings to develop better policies for enforcement and monitoring of standards in the tourism sector and inspection, registration, licensing and classification of accommodation facilities and services.
- 2) The findings will help the EAC member states to refine the existing East African Community Quality Assurance Criteria for accommodation facilities and eating houses.
- 3) The government of Uganda will use the findings to promote Uganda as an attractive and sustainable tourist destination both locally and internationally.
- 4) Uganda Tourism Board will use the findings to strengthen tourism and hospitality education and training in line with the needs of the sector and international best practices.
- 5) The study's findings will contribute to the existing body of knowledge on the accommodation establishments in Kampala City.

1.8 Conceptual framework

Fig 1: Conceptual Model



In the above-adapted model, it is conceptualized that the availability of an appropriate working environment, employee performance, adequately trained and experienced human resources will lead to improved service quality in the accommodation sector. The work environment is represented by workplace conditions, managerial/leadership styles, pay and benefits and employee relationships. Human Capital, on the other hand, is represented by employee skills, training & education as well as employee experience. These two factors have the greatest impact on employee performance, which in turn determines service quality.

1.9 The Accommodation Sector in Kampala City

According to the Ministry of Tourism, Wildlife and Antiquities website, most of the accommodation facilities for tourists' standard are concentrated in and around Kampala. These include both big and small properties offering accommodation. Kampala City rapid growth has also led to the robust hospitality industry. Accommodation facilities provide room lodging to travellers, food and drink on payment. These accommodation facilities can also be referred to as a home away from home. Accommodation facilities in Kampala City can be categorized as commercial hotels, airport hotels, suites, casinos, resorts, motels, rentals, lodges, inns, chalets, mansions, apartments, tented safari camps, farmhouses used outdoors, palace villas and guesthouses. It is characterized by its output of service which includes a reception desk open 24 hours, room facilities, breakfast, babysitting, flowers in the rooms parking, room facilities. In addition, they get revenues also from laundry services, travel services, recreational/ entertainment activities.

The first ever classification of hotels in Uganda was carried out between July and October 2014 by the ministry of tourism, wild life and antiquities through the Uganda Tourism Board .There are several websites and other online social media services that provide marketing and other valuable updates for accommodation facilities clients' country. These include Jumia Travel, Sights & Sounds, Travel Uganda and many others. For instance, <https://travel.Jumia.com> is an authenticated website for registered accommodation facilities where clients /guests are able to browse accommodation facilities by star, price, location or amenities and are able to choose to pay online or later when they arrive at the destination. Jumia travel states that Kampala alone has the top 120 accommodation facilities that have been rated, making a rich case study for assessing the relationships between various social-economic attributes. Some faculties are rated as Non-self-contained (\$15 - \$20) Standard (\$25 - \$100), Deluxe (\$120 - \$350), Executive (\$400 - \$500), and Luxury Suite (\$500 - \$800).

According to the UNDP Report (2015), the tools for classification have been developed at the East African Community level and are adequately developed. Classification of accommodation facilities according to the regional criterion is major determined by location and the clientele. The East African Criteria rating system is denoted by stars where one (1) star denotes the lowest and five (5) stars the highest grade. While a one-star establishment has the basic facilities that provide functionality and comfort to the guest, the five-star establishments provide a high degree of luxury and ambience that conform to any internationally recognizable standards.

Specifically, migration and settlement patterns large cities are changing as new forms of urban development alter patterns of community development. These development patterns influence the way human capital, working environment, employee performance and service quality in

accommodation facilities (Wu, 2013). This author argues that “lack of human capital and workplace inaccessibility, is the main cause of poverty”. He concludes that Policy should move toward increasing human capital, conservation of natural environment and local culture, increasing regional competition incentives and investments in infrastructure that support the expansion of new competitive advantages, However, the tools for inspection are weak and scattered within different government agencies, moreover providing significant room for human judgment and bias. Service quality depends on such dimensions as reliability, responsiveness, assurance, empathy and tangibles and on additional elements like price, personal and situational factors that may occur during the service supply. Peng and Matilla (2015) caution that in lodging industry measuring of service quality is complicated because service itself is an intangible product which can be evaluated differently by each individual. In accommodation establishments, the service is associated with added value and quality; it is seen as a positive outcome. Naturally, all this has to be achieved with some profitability for the establishment, good impression on the customer and reasonable satisfaction of the employee.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed the existing literature on service quality, human capital, working environment and employee performance discussed by different authors. It brings out an appreciation of what has been done on the variables under study but also, the gaps that are identified in the existing body of the literature that makes the focus of this study.

2.1 Service Quality

Service quality is an elusive concept that is difficult to define and measure. According to Zeithaml, Parasuraman and Malhotra (2002), service quality is defined as the discrepancy between expected service and perceived service. Different scholars consider Service quality as a multidimensional concept; several scholars have viewed services as deeds, performances, activities or processes. As Parasuraman (1994) noted, services are behavioural entities which are intangible, Perishable, inseparable, and heterogeneous. The attributes imply that services cannot be accurately measured and maintained by any accommodation facility (Yoo, 2007). The key concern arising here is that management has to ensure that the overall quality of service maximizes benefits while minimizing cost.

Service quality is a comparison of expectations with performance (Lewis and Booms, 1983). From the viewpoint of business administration, service quality is an achievement in customer service (Kenzelmann, 2008). It reflects at each service encounter. Customers form service expectations from past experiences, word of mouth and advertisement. In general, Customers compare perceived service with expected service in which if the former falls short of the latter the customers

are disappointed. An author defines service as “any intangible act or performance that one-party offers to another that does not result in the ownership of anything” (Kotler & Keller, 2009). In all, service can also be defined as an intangible offer by one party to another in exchange for money for pleasure.

Wu (2013) defined service quality as an assessment of how well a delivered service conforms to the client's expectations. According to Parasuraman, Zeithaml and Berry (1985), service business operators often assess the service quality provided to their customers in order to improve their service, to quickly identify problems, and to better assess client satisfaction. On his part, Bekir and Dedeoglu (2015) explained that service quality has many benefits, such as providing a competitive advantage to a business, establishing customer satisfaction and customer loyalty and contributing to its image. They, however, note that studies in the literature on hotel enterprises with regards to service quality, which is one of the most important areas of the service sector, are limited. Sharma, Kong and Kingshott (2016) studied service quality as a driver of employee satisfaction, commitment and performance. Their findings showed that employees perceived service performance to be at a high level, while customers perceived it to be at a low level. They conclude that even though managers' perception of service quality performance was lower than that of employees, no significant difference was found between them. Similar views were echoed by Wei and Yan (2010) but unlike Sharma, Kong and Kingshott (2016), they were keen to caution that one major shortcoming in the concept of service quality is that stakeholder's perceive service quality differently. In particular, a hotel business that lacks service quality may face issues such as negative customer satisfaction, lack of customer loyalty and lower competitive advantage.

2.2 Employee Performance

Anitha (2014) defines employee performance as the job-related activities expected of a worker and how well those activities were executed. In her perspective, there is a strong justification for business personnel directors to assess the employee performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement. Anitha (2014) goes further and asserted that it is a manager's responsibility to anticipate customers' demands and expectations and convey them to employees.

Unfortunately, as explained by Mensah (2016), most of the studies on the hotel sector in the literature focus mainly on the evaluation of customers for service quality, other stakeholders' (employees' and managers') perceptions have been ignored. Therefore, this study's contribution to the literature explores the differences in stakeholders' perceptions of the hotel industry. Sharma (2016) stated that stakeholders' perceptions of service quality performance differ between employee, manager and customer. Employees may have a higher-quality perception of the services they deliver compared to customers' perceptions. Special focus and effort are required specifically on the factors working-environment and team and co-worker relationship as they have shown the significantly higher impact on employee engagement and hence employee performance (Sharma, 2016).

2.3 Human Capital

Human capital is a measure of the economic value of an employee's skill set (Felfício, Couto and Caiado, 2014). According to these authors, this measure builds on the basic production input of labour measure where all labour is thought to be equal. The concept of human capital recognizes that not all labour is equal and that the quality of employees can be improved by investing in them;

the education, experience and abilities of employees have economic value for employers and for the economy as a whole (Felício, Couto and Caiado, 2014).

A study by Lin et al. (2012) on human capital found out that human capital affects social capital, and that experience and cognitive ability influence personal relations and complicity. Lin et al. (2012) concluded by observing that organizational performance is strongly influenced by human capital through the cognitive ability of the manager; and that human capital disclosure positively impacts on organizational performance such as market to book ratio. Felício, Couto and Caiado (2014) also like Lin, Ing-Chung, Pey-Lan and Tsai-Fei (2012) also agree that human capital affects social capital but on their part added that organizational size negatively moderates the relationship between disclosure of human capital information and firm performance. In sum, they stated that knowledge intensity has curvilinear positive moderation effect between the relationships above.

2.4 Working Environment

The term working environment is a term used to describe the surrounding conditions in which an employee operates (Bradley and Osborne, 1999). These authors explain that work environment can be composed of physical conditions, such as office temperature, or equipment such as personal computers. It can also be related to factors such as work processes or procedures. Benn, Teo and Martin (2015) examined the working environment in the context of employee participation and engagement. They found out that many organizations have increased collaborative performance by introducing new technologies and new processes; by integrating these with innovations in the working environment they can catalyze additional and sustained improvements in collaborative performance. Consequently, Benn, Teo and Martin (2015) advised that if planned, designed and managed as an integrated system encompassing people, process and place issues, the workplace

environment can be a powerful catalyst for business change. A similar view was made by Bradley and Osborne (1999) who opined that the internal quality of a working environment contributes mostly to employee satisfaction; and that internal quality as a measure of the feelings that employees have toward their jobs, colleagues and companies has also been extensively researched in various environments.

2.5 Human Capital and Employee Performance

Bapna, Langer, Mehra, Gopal and Gupta (2014) examined whether investments directed toward employee training are effective in improving employee performance. Using a dynamic panel model, they identified a significant positive impact of training on employee performance. Their findings showed that a unit increase in training is linked to a 2.14% increase in an employee's performance. In sum, they advised that firms must be careful not to prescribe an ad hoc mixture of the various types of training to employees. Such a practice could nullify the positive impacts of the respective types of training. These findings have both theoretical and practical significance. Most important, they justify increased human capital investments to fuel the future growth of this important component of the global economy. Other studies by Mensah (2016) and Felício, Couto and Caiado, (2014) have also shown that the strategic management literature has established that intangible resources, such as human capital, are more likely than tangible resources to lead to competitive advantage. Mensah (2016) on his part went ahead and discussed some of the factors which contribute to human capital depreciation. These include factors such as skills obsolescence, interference and forgetting, differ across employees. Second, Mensah (2016) adds that employees may also differ in their ability to absorb and benefit from training.

Training policy has often been the object of criticism for being too expensive and because it does not achieve the transfer of acquired knowledge to the work position. Caudron (2002) for that reason, training is often seen as a cost centre which needs to be controlled or even removed when firms are going through hard times. In fact, training programs are implemented for reasons other than performance. Improvement for instance legal compliance, rewarding employees, retaining good workers or simply there are government subsidies to develop some training-related activities in accommodation facility.

The existence of a certain degree of scepticism about the connection between training policy and organizational performance seems logical under such circumstances. Thus, most organizations only assess training programs with criteria linked to the reaction and to the perceptions of trainers about the training that they have received and very few of them measure the impact that training causes on performance (Alliger et al., 1997; kraiger, 2003). On a positive note, it has been argued that training plays an essential role in delivering the strategic objectives set by managers in accommodation facilities (Eaglen et al., 2000). High-quality training contributes not only to employee's human capital, enhancing performance commitment and service quality (Blake et al., 2006).

The development of employee skills also appears as a core element of many regeneration strategies for businesses performance via improvement in service quality in accommodation facility. The most vital issue with any performance management system is how seriously it is taken and how it is used by managers and employees (Pulakos, 2009). The extent of performance management is apparently very broad, which is why performance management must be viewed within an enterprise as a tool to improve on employee motivation for higher service quality. There is a large

and growing body of evidence that demonstrates a positive linkage between the developments of human capital and employee performance. The emphasis on human capital in organizations reflects the view that market value depends less on tangibles resources but rather on intangibles ones, particularly human resources. The organization also has to leverage the skills and capabilities of its employees by encouraging individual and organizational learning and creating a supportive environment where knowledge can be created, shared and applied.

Human capital is generally understood to consist of the individual's capabilities, knowledge, skills and experiences of the company's employees and managers as they are relevant and task at hand, as well as the capacity to add to this reservoir of knowledge, skills and experience through individual learning (Dess and Pickard, 2000). The link between human capital and performance is based on two theoretical strands; Resource-based and expectancy theory. The stock of human capital consists of human (the knowledge, skills and abilities of people), social (the valuable relationship among people) and organizational (the process and routines within the people) (Wright et al., 2001: 716). Developing human capital, therefore, requires attention to these other complementarities. If competitive advantage is to be achieved, integration between human capital human, social and organizational capital is required. The resource-based theory view of the firm strengthens the often repeated statement from the field of strategic human resource management that people are highly important assets to the success of the organization. A more recent and equally important strand has emerged under the title the knowledge-based. Arendt (2013) stated that human capital is an important input for organizations especially for employees' continuous improvement mainly on knowledge, skills and abilities. It attributes embodied in individuals that facilitate the creation of personal, social, and economic well-being (Organization for Economic Cooperation and development or OECD, 2001:18). Undoubtedly, human resource input plays a

significant role in enhancing firms' competitiveness. Shelley (2013). At a glance, substantial studies were carried out on human capital and their implications on firm performance were widely covered and obviously, human capital enhancement will result in greater competitiveness and performance (Sharma, 2016).

2.6 Working Environment and Employee Performance

Jahangir (2012), defines working environment as an entirety which comprises the totality of forces, actions and other influential factors that are currently or potentially contending with the employee's activities and performance. The working environment is the sum of the interrelationship that exists within the employees and the environment in which the employees work. The technical environment creates elements that enable employees to perform their respective responsibilities and activities. The human environment refers to peers, others with whom employees relate, team and work groups, interactional issues, the leadership and management. This environment is designed in such a way that encourages informal interaction in the workplace so that the opportunity to share knowledge and exchange ideas could be enhanced. This is a basis to attain maximum productivity. Organizational environment includes systems, procedures, practices, values and philosophies. Management has control over the organizational environment. Measurement system where people are rewarded on quantity, hence workers will have little interest in helping those workers who are trying to improve quality. Thus, issues of organizational environment influence employee's productivity.

Franco (2002) stated that employees' performance is depending on the willingness and also the openness of the employees itself on doing their job. He also stated that by having this willingness and openness of the employees in doing their job, it could increase the employees' productivity

which also leads to the performance. Stup (2003) also explained that to have a standard performance, employers have to get the employee's task to be done on track as to achieve the organization goal or target. By having the work or job done on the track, employers could be able to monitor their employees and help them to improve their performance.

Furthermore, a reward system should be implemented based on the performance of the employees. This is to motivate the employees in order to perform more on their task. There are several factors that were described by Stup (2003) towards the success of the employees' performance. The factors are such as physical work environment, equipment, meaningful work, performance expectation, and feedback on performance, the reward for the good or bad system, standard operating procedures, knowledge, skills and attitudes. Franco et al. (2002) defined performance that relies on internal motivation but the presence.

According to Fehr (1996), friendship is a voluntary, personal relationship typically providing intimacy and assistance. Berman et al. (2002) define workplace friendship as "non-exclusive voluntary workplace relations that involve mutual trust, commitment, reciprocal liking and shared interests and values". Workplace friendship increases support and resources that help individuals to accomplish their job, reduce work stress and provide increased communication, cooperation and energy. Hamilton (2007) also suggested that when in a friendship at work, people might feel comfortable with their workplace friends and reduce feelings of insecurity and uncertainty. They also share more information and emphasis with workplace friends about work-related problems and concerns. Jehn and Shah (1997) further argued that employees in a friendship exchange words of encouragement, confidence, trust, respect and critical feedback which may increase enthusiasm, positive attitude and service quality in accommodation facility.

The accommodation facility is a significant part of tourism industry worldwide and its employees play a key role in delivering the quality service to customers. The motivation of employees, whether professional, skills or unskilled is a major issue in all service organizations. It's a challenge for most accommodation facility to motivate employees, to stay on the job and offer the efficient, good service which customers expect. Whereas the performance of accommodation facility is hinged on the provision of quality service to customers, the challenge is to create motivated employees who can facilitate that endeavor. Therefore, job satisfaction plays a key role in the accommodation facility (Dalton, 2003). Satisfied employees can provide good service for customers thus increasing their loyalty to customers. Managers must consider employee job satisfaction since it is related to service quality and work performance.

A study by Roelofsen (2002) indicates that improving the working environment reduces complaints and absenteeism while increasing productivity. There is adequate empirical evidence linking workplace conditions to service quality in accommodation facility (Wells, 2000). Favourable working environment plays an important role towards the employees' performance. The working environment is argued to impact immensely on employees' performance either towards negative or the positive outcomes. Several studies by Bushiri (2014) have demonstrated a strong relationship between work environment and employee performance. This study focused on the impact of working environment on employees' performance at Institute of Finance Management in Dar - es Salaam. The findings revealed that employees' will improve their performance if the problems associated with the flexibility of working environment, work noise distraction, supervisor's interpersonal relationship with subordinates, the presence of job aid, the use of performance feedback are solved. He concludes by recommending that the management should improve work incentives in the organization so that to motivate employees to perform their

job. Mensah (2016) also had a similar idea which indicated that employee engagement had a significant impact on employee performance but in his part, he added that the major challenge for the management is to create a healthy environment that influences and motivate employees for maximization of productivity.

Bontis (2007) analyzed the relationship between working environment and organizational performance of software companies. They found that working environment indicators have a positive association on organizational performance. These indicators such as workplace conditions, leadership styles, pay and benefits tend to result in superstar performance where more productivity could be translated to organizational performances. This was also supported by Dooley (2000) who found a significant positive correlation between the quality of developers and volume of market shares. Based on the above arguments we can conclude that working environment enhanced the firm performance directly or indirectly.

Heterogeneity or sometimes is called diversity in top management team will tend to lead to greater performance because the argument is heterogeneity promotes various characteristics to be absorbed into the workforce; this includes people of different ages, groups, functional backgrounds, education background, tenure and gender. These characteristics have a positive impact on employee performance. Several studies reveal that heterogeneity cultivates greater knowledge, creativity and innovation among the team members (Maimunah and Lawrence, 2008). Heterogeneity is positively linked to better problem solving and offering creative solutions.

The study findings indicate that organization working environment had an impact on members as far as respondents are concerned. The study also revealed that employees' will improve their performance if the problems identified during the research are tackled by the management. The

problems are the flexibility of working environment, work noise distraction, supervisor's interpersonal relationship with subordinates, the presence of job aid, the use of performance feedback and improvement work incentives in the organization so as to motivate employees to perform their job. In conclusion, based on the findings, the study recommended that the organization needs to have periodic meetings with employees to air their grievances to management and serve as a motivating factor to the employees. Management should find ways and means of communicating their goals and strategies to their employees in order to achieve what the organization is in business for, its mission and vision.

2.7 Employee Performance and Service Quality

Several studies have demonstrated a link between employee performance and service quality (Parasuraman et al., 1988). Peng, Zhao and Mattila (2015) were of the opinion that quality of comfort variable from work environment determines the level of satisfaction and productivity of workers. The quality of comfort variable from work environment determines the level of satisfaction and productivity of workers (Peng, Zhao and Mattila, 2015). These authors explained that workers' productivity and service quality cannot be optimal if the conditions of work environment are not favourable. They conclude by saying that improved work environment enhances employee's productivity and service quality; and that the factors contributing to accommodation facility service quality are often the services related to employee behaviour and tangibles. For this reason, they pointed out that how employees perceive the quality of service performance becomes important. Moreover, employees' perceptions of their own service quality as being higher than the perceptions of customers and managers may lead to those services being evaluated a slow quality by others (Peng, Zhao and Mattila, 2015).

A study by Sharma et al. (2011) on Chinese and Indian Insurance Industry emphasized the importance of the employee in providing services. The research found that customers continue to value person-to-person contact in both the countries. Despite the changing environment, customers still assess service quality primarily in terms of the personal support they receive from employees and the benefits they get from such long-term relationships. These benefits include first-rate service, personal recognition and friendly interactions, and a sense of confidence and trust. A perception survey of African banks by KPMG (2013) showed that customers showed staff friendliness as the most important factor influencing their satisfaction with their bank. Three in ten customers said they were very satisfied with their bank staff's knowledge of banking products and only ten percent indicated that they were extremely satisfied that their complaints were being promptly addressed. Successful recruitment and retention of staff to the empowerment of staff and recommended that staff be treated as full partners in the accommodation operation and given opportunities for advancement.

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

2.8 Human Capital, Working Environment, Employee Performance and Service Quality

Tsai (2016), state that “people are your best Asset”. Arguably an organization success or failure will depend in large part on the quality of its talent pool. Recruiting the best talent is important to an organization’ success, especially when it comes to professional and managerial personnel. In order for frontline employees to provide high-quality service organizations, need to design service, a working system that ensure that employees have knowledge, skills and abilities as well as the motivation to meet customer demands or needs. Jorge et al. (2014) proposed that service rests on a set of organizational “foundation issues” that support and facilitate front-line employee service provided by support staff, efforts to remove obstacles to work and employee participation and training.

The role of human capital has rarely been examined explicitly as a mediator between work systems and performance outcomes in the service context, employees need to have good knowledge about the services, products and customer needs and to have abilities and skills to meet customer needs. Mensah (2016) also stated that human capital is an important input for organizations especially for employees’ continuous improvement mainly on knowledge, skills and abilities. Its attributes embodied in individuals that facilitate the creation of personal, social, and economic well-being (Organization for Economic Cooperation and development or OECD, 2001:18).

Aryee, Walumbwa, Seidu and Otake (2012) studied that relationship between human capital and service quality. They specifically focused on the interactive influence of collective human capital (ability) and aggregated service orientation (motivation) on the cross-level relationship between high-performance work systems (HPWS) and individual level service quality. The findings reveal that high-performance work systems are positively correlated with collective human capital and

aggregated service orientation, which in turn related to individual-level service quality. In sum, these authors argued that although organizations need both tangible and intangible resources to formulate and implement the competitive strategy, today's knowledge-based and service-focused economy has underscored the pivotal role of intangible resources (e.g., human capital) in creating sustained competitive advantage.

Similar views are given in Aryee, Walumbwa, and Otaye (2012), Combs, Liu, Hall and Ketchen (2006), Crook, Todd, Combs, Woehr and Ketchen (2011) who stated that HPWS, collective human capital (ability), and aggregated service orientation (motivation) have cross-level influences on individual-level service quality. In other words, these work-unit-level constructs predict between-work-unit differences in average levels of employees' service quality. Human capital leads to psychological empowerment which refers to individual self-motivating mechanisms and consists of meaning, competence, self-determination and impact (Mattila, 2015). Imrie (2013) studied service quality within specific working environments. He divided service quality into two aspects: technical quality and functional quality. Dedeoglu and Demirer (2015), taking a similar approach to that of Imrie (2013), stated that the elements of service quality consist of technical quality, functional quality and environment. In this context, Dedeoglu and Demirer (2015) were implying that the work environment and service quality are inter-related.

According to Bradley and Osborne (1999), many organizations have increased collaborative performance by introducing new technologies and new processes; by integrating these with innovations in the working environment, they can catalyze additional and sustained improvements in collaborative performance. Benn, Teo and Martin (2015) also gave a similar opinion but added that if well planned, designed and managed as an integrated system encompassing people, process

and place issues, the workplace environment can be a powerful catalyst for business change. Another observation on the relationship between working environment and service quality was made by Sumarjan, Arendt and Shelley (2013) who explained that internal quality of a working environment contributes mostly to employee satisfaction. Internal quality as a measure of the feelings that employees have toward their jobs, colleagues and companies has also been extensively researched in various environments (Sumarjan et al., 2013).

Relationship both internal and external service quality depends on how your services rendered. Employees will serve in earnest when they are satisfied by service companies, and customers will be satisfied if the services provided by the employees very well. An analysis of the services within accommodation facilities reveal that the services provided to customers coming from all the good elements of the senior and junior staff, all of whom have ties that need each other (Sharabi and Yezreel, 2013). Many research using two groups; employees as internal customers and guests as external customers, services that may adversely impact on the perception of the facility would not be happy with the result of limited knowledge or not up to date employees from various departments.

Wang (2011) revealed that the most important thing is how employees are treated in institutions, not only measured from a given salary, but also of the environment and conditions of working. The journal of Ghorbani and Mostafavi (2013) defines internal service quality as the services provided by units of different organizations or employee in institutions where the provider is charged with responding to the needs of internal customers (employees). The human element is the most important element. The process reflects the reality through interaction between employees and customers form an opinion of the organization it is through interaction between employees

and customers. Service quality delivers internal to improve the quality of external services and emphasise customer satisfaction. Institutions may have all the facilities and technical equipment, but may not be able to provide satisfactory service to customers. Therefore, it becomes important for marketer's service to motivate employees' service customers better. The main requirement to motivate the employees to provide quality is to provide service quality to internal customers so that they can give high service quality for external customers.

Conclusion

Most studies cited above (Lin et al., 2012; Aryee, Walumbwa, Seidu and Otaye, 2016; Imrie, 2013; Bapna, Langer, Mehra, Gopal and Gupta, 2014; Mensah, 2016) have demonstrated a link between employee performance, Working environment, training to employees, human capital investments and service quality. Bushir (2014) for instance demonstrated that there is a strong relationship between work environment and employee performance. Thus, the evidence from the studies cited above shows diverse results and is congruent with Parasuraman et al. (1988) findings that companies can get their competitive advantage by using the human capital for the purpose of enhancing service quality and gathering market demand. Experience at work and therefore their impacts on service quality.

Again most of the above studies were constructed as case-studies based on the qualitative methods (Bapna, et al., 2014 and Mensah, 2016). Stinebrickner and Stinebrickner (2004) demonstrate how the reported errors from survey questions can be relatively significant and warn about the inaccuracies of the results obtained from such samples. This design will aim to close these methodological gaps. This study's approach will, therefore, differ from previous studies on the following points. First, the data to be used will be collected from hotels with different national star

ratings. Secondly, a combination of both qualitative and quantitative methods will be used to enhance reliability unlike in previous studies where SERVQUAL is seen as a generic measurement tool has been applied across a broad spectrum of service industries.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This section presents the methods that were used to collect, analyze and present the data. It includes the study design, study population, sampling techniques, data collection methods and tools and the approaches that were used in analysis and presentation of findings.

3.1 Research Design

A study followed a cross-section research design using a quantitative approach to data collection in order to provide information and to identify patterns or trends about human capital, working environment employee performance and service quality in accommodation facilities. A quantitative approach was preferred because it enables generalization of the findings. The unit of analysis was each accommodation facility and the unit of inquiry was three employees per each accommodation facility.

3.2 Study Population

The study population consisted of 120 accommodations facilities which are officially registered in Kampala Capital City Authority and rated by Jumia travel, sights and sounds Uganda (Uganda Hotels Guide website available at www.ugandahotelsguide.com and <https://travel.Jumia.>, 2017). Kampala City was chosen because of the high number of accommodation facilities that are experiencing poor service quality (World Bank, 2015).

3.3 Sample size and Sampling Method

The sample size was 92 accommodation facilities obtained using sample size determination guidelines by Krejcie and Morgan (1970). The study used stratified random sampling to select the sample units.

Table 1: The Table below summarizes the Sampling Plan

Category	Population	Sample Size
5 Star Hotels	5	$5/120*92=4$
4 Star Hotels	23	$23/120*92=18$
3Star Hotels	29	$29/120*92=22$
2 Star Hotels	43	$43/120*92=33$
1 Star Hotels	20	$20/120*92=15$
TOTAL	120	92

Source: Secondary Data

3.4.0 Questionnaire

The questionnaire had four subsections, i.e. on service quality, employee performance, working environment and human capital. Respondents were required to select the rating that best described the service quality, employee's performance, working environment and human capital on each item, using an evaluation scale with five (5) possible ratings, namely; Strongly Agree=5, Agree= 4, Don't Know=3, Disagree=2 and Strongly Disagree=1.

3.4.1 Data Collection

Primary data was collected using questionnaires. The researcher obtained a letter of introduction from the university which she took to accommodation facilities. The researcher sought permission from officials in the accommodation facilities to collect data. Each accommodation facility was given three questionnaires. The researcher collected back questionnaires from 92 accommodation facilities of which questionnaires from only 77 accommodation facilities were usable, making 83.69% of the questionnaires collected from the respondents.

3.5 Measurements of Variables

Service quality was assessed based on five SERVQUAL dimensions as propounded by Parasuraman et al. (1985). Employee performance was assessed in terms of job knowledge, adaptability, interpersonal relations, customer service dependability, and judgment and policy compliance (March 2017). The work environment was measured in terms of workplace conditions, managerial and leadership styles pay and benefits and employee relationship as adopted from Naharuddin and Sadegi (2013). Human Capital was evaluated using Framework for Human Capital Self-Assessment developed by the United States General Accounting Office (GAO, 2000).

3.6 Validity and Reliability of Variables

- **Validity**

Validity was measured using the Content Validity Index (CVI). A CVI of 0.7 and above implied acceptable validity of the instrument.

- **Reliability**

The Cronbach's alpha coefficient, which indicates the degree of internal consistency, was used to determine the proportion of variability that is shared among response items (covariance). As

explained in Nunnally (1978), only items that constituted α coefficient of 0.7 and above were retained.

Table 2: Reliability analysis [summary statistics]

Variable	Cronbach's Alpha	No of Items
Service Quality	.871	18
Human Capital	.812	14
Working Environment	.797	14
Employee Performance	.880	24

Source: Primary Data

According to the Cronbach's alpha statistic in table 2 above, all variable items were found to be reliable since they had a coefficient above 0.70. This implies that the items on average elicit similar responses when administered by the same respondents several times.

3.7 Data Processing and Analysis

Data collected were entered into an excel spreadsheet program, cleaned and edited to achieve the accuracy and completeness. Demographic characteristics were expressed in terms of frequency tables. Descriptive statistics were expressed as the means and standard deviations. The relationship between dependent and independent variables were posited in terms of Spearman's rank correlations. These enabled the researcher to determine if there existed a positive or negative

correlation, its significance and its strength. Regression analysis tested the predictive potential of the independent variables on the dependent variable.

3.8 Ethical Issues

- 1) **Confidentiality:** - The study involved collection of sensitive information about the lives and perceptions of some team members. It's occasionally personal and needs to be given in confidence. The respondents were therefore assured of confidentiality that data will not divulge to third parties.
- 2) **Informed consent:** - Involvement in the study was voluntary. The objectives of the study were explained and participants asked to sign an informed consent release form formally inviting them to participate in a research study with the option of choosing to participate or not.
- 3) **Minimizing the risks:** - Anonymity of the responses meant names did not appear anywhere. This guarantee that the research process minimizes the risks, whether physical, psychological and social.
- 4) **Justice:** – Participants were selected from groups of people whom the research may benefit.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter presents and interprets findings from our data. The analysis includes; exploratory analysis, a demographic characteristic, descriptive statistics, correlation analysis and regression analysis. The results are presented according to the research objectives.

1. To establish the relationship between human capital and employee performance in accommodation facilities in Kampala City.
2. To establish the relationship between working environment and employee performance in accommodation facilities in Kampala City.
3. To find out the relationship between employee performance and service quality in accommodation facilities in Kampala City.
4. To find out the relationship between human capital, working environment, employee performance and service quality in accommodation facility in Kampala City.

4.1 Background characteristics of the sample

This section presents information about the demographic characteristics of the hotel facilities being studied. The demographic characteristics of the facilities analyzed include legal status, departmental units and star rating.

Table 3: Demographic Characteristics for Accommodation Facilities

		Frequency	Percent
Legal Status	Sole Proprietorship	48	62.3
	Partnership Limited Liability Company	22	28.6
	Multinational	7	9.1
	Total	77	100.0
	Departmental Units	Below 3 Departments	11
3-5 Departments		44	57.1
6-8 Departments		14	18.2
Over 8		8	10.4
Total		77	100.0
Star Rating	1 star	14	18.2
	2 Star	27	35.1
	3 Star	18	23.4
	4 Star	14	18.1
	5 Star	4	5.2
	Total	77	100.0

Source: Primary Data

According to Table 3 above, the majority of the hotels were sole proprietors (62.3%) followed by partnerships with (28.6%). These two categories commutatively accounted for 90.09% of the total hotels sampled. The least were multinationals with 9.1% of the total. Thus owners prefer sole proprietorship as it is financially viable and the working environment favors them as they are given tax holidays.

The majority of the hotels (57.1%) had 3-5 departments, followed by those with 6-8 departments (18.2%). A few others had 3 departments (14.3%). The least had 8 and above with 10.4%. These findings reveal that in many hotels the number of departments has been consolidated to extent to which the organization is formalized or standardized. This can be explained by the fact the complexity of management control and the managerial challenges of balancing different controls across many departments' increases with the size of the organization and the number of departments. This is truer especially for sole proprietors who may not wish to develop a complex organization structure.

The majority of the hotels surveyed had 2-star ratings. These accounted for 35.1% of the entire sample surveyed. The second was the 3-star with 23.4 %. Third were those ranked as 1 star with 18.272% followed by 4 stars with 18.1%, the least was the 5-star rated hotels which accounted for only 5.2 % of the total accommodation facilities. These findings reveal that most of Kampala's standard accommodation facilities are well-equipped 3-star and 2-star properties offering affordable accommodation that conforms to international standards. While they do not offer a full range of luxury guest services, 3-star and 2-star accommodation facilities are guaranteed to offer a reasonable range of business and concierge services, and most offer on-site dining and some leisure amenities. Few Standard accommodation facilities are located in the very centre of the town, but all are close to city's major facilities.

4.2 Aggregating Data

In this study, the unit of analysis was the accommodation facility while the unit of inquiry was the individual employee in the accommodation facilities. The researcher supplied three questionnaires per accommodation facility in each of the 92 accommodation facilities. However, only 77

accommodation facilities were able to return a minimum of 2 questionnaires each; totalling to 154. It is these 154 questionnaires that the researcher aggregated to get 77 responses from each accommodation facility.

4.3. Factor Structure of Service Quality

Exploratory factor analysis is an exploratory statistical measure for analyzing and understanding the composition of a variable used in a study for the purpose of making valid conclusions and recommendations (Sekaran, 2001). Factor analysis was carried out purposely to reduce data to manageable levels.

Table 4: Factor Structure of Service Quality

Service Quality	Component		
	Assurance	Reliability	Responsiveness
Our facility staff know customer's experiences and expectations	.835		
In this organization, employees have skills to perform the service	.795		
In this organization, employees are willing and capable to give personalized attention to a customer	.727		
In this organization supervisors regularly communicate error-free service and managers are available for consultation.	.517		
In this organization, our services fail to deliver what customers want		.849	
This organization Promises to provide a service and does so.		.837	
In this organization supervisors regularly communicate error-free service and managers are available for consultation.		.815	
In this organization, our services fail to deliver what customers want		.813	
In this organization, employees give prompt services.		.650	
In this organization, employees are never too busy to respond promptly to requests.		.599	
In this organization, employees are empowered to respond without consulting managers.		.569	
In this organization, employers reward outstanding performance.			.853
In this organization, there is high uncertainty and low confidence in the staff who offer service.			.639
Total	4.467	3.447	1.812

% of Variance	31.907	24.621	12.943
Cumulative %	31.907	56.528	69.471
KMO	.711		
Chi-Square	348.734		
Df	91		
Sig.	.000		

Source: Primary Data

The study carried out exploratory factor analysis (EFA) for service quality using statistical package for the social sciences (SPSS). Results in Table 4 indicate that exploratory factor analysis yielded 3 factors for service quality. The first factor (assurance) accounted for 31.9% of the variance in service quality, the second factor (reliability) accounted for 24.62% of the variance in service. The last factor (responsiveness) accounted for the 12.94% of the variance in service quality. Overall the 3 factors accounted for 69.47% Of the variance in service quality.

Table 5: Factor Structure of Human Capital

Human Capital	Component		
	Training and education	Employee experience	Employee skills
In this organization, employees show their confidence because of their experience.	.810		
This organization has invested in managers' supervisory training programs.	.759		
In this organization employee's skill, behaviour, and HR practices are standardized.	.658		
In this organization, employees have a chance to use their skills on the job.	.614		
In this organization supervisors freely share their experience with the new members.		.795	
In this organization, employees show their confidence because of their experience.		.789	
In this organization, employees are highly trained.			.831
In this organization, many jobs require skills and training beyond secondary education.			.768
Total	2.088	1.618	1.449
% of Variance	26.101	20.220	18.109

Cumulative %	26.101	46.321	64.430
KMO	.629		
Chi-Square	121.656		
Df	28		
Sig.	.000		

Source: Primary Data

The study carried out exploratory factor analysis for human capital which yielded 3 factors. The results in Table 5 show that the first factor (training) accounted for 26.10% of the variance in human capital. The second factor (employee experience) accounted for 20.22% of the variance in human capital. The last factor (employee skills) accounted for 18.11% of the variance in human capital. Overall the three factors accounted 64.43% of the variance human capital.

Table 6: Factor Structure of Working Environment

Working Environment	Component			
	Pay and benefits	Managerial and leadership styles	Employee relationships	Workplace conditions
In this organization Pay and benefits are adequate for all employees.	.886			
In this organization, turnover is caused by poor attitudes towards benefits and pay satisfaction	.705			
Employee retention is based on pay satisfaction in this organization	.506			
In this organization, managers have good management styles, such as treating team members fairly, which directly influence employee satisfaction and engagement.		.680		
In this organization, there is adequate Work Support such as such as job training, guidelines and the availability of resources.		.679		
In this organization, my nearest supervisor respects the co-worker's opinions.		.665		
In this organization, the manager's leadership style impacts positively on its success		.521		
There exist a strong teamwork and good co-worker relationship in this organization.			.716	

Employees trust the senior leadership in this organization.			.700	
There is knowledge sharing /exchange amongst staff.			.533	
In this organization, there is a good attitude and intentions toward knowledge sharing with colleagues.				.821
In this organization, the relationship between some employees and the managers/ supervisors is not probably good.				.659
Total	2.172	1.797	1.772	1.428
% of Variance	18.098	14.976	14.771	11.901
Cumulative %	18.098	33.074	47.845	59.745
KMO	.673			
Chi-Square	179.718			
Df	66			
Sig.	.000			

Source: Primary Data

The working environment variable yielded 4 factors. According to results in table 6, the first factor (pay and benefits) accounted for 18.10% of the variance of the working environment. The second factor is managerial and leadership styles and this accounted for 14.98% of the variance of the working environment. The third factor (employee relationships) - accounted for 14.771% of the variance of the working environment. The last factor (workplace conditions) accounted for 11.90% of the variance of the working environment. Overall the four factors accounted 59.75% of the variance in the working environment.

Table 7: Factor Structure of Employee Performance

Employee Performance	Component			
	Dependability	Adaptability	Job knowledge	Interpersonal & customer relations
I am reliable in performing work assignment.	.795			
I am willing to be accountable for responsibilities assigned to me.	.677			
Employee participation enhances organizational effectiveness.	.711			
Owners' conscientiousness breeds psychological contract with employees in this organization.	.654			
I always provide appropriate support towards the accommodation facility and its customers	.634			
I always evaluate situations and make sound decisions in this organization.	.619			
I always comply with all reasonable requirements by the accommodation facility.	.556			
The facility always complies with national regulatory policies		.776		
I have knowledge gained through experience, education and specialized training.		.774		
		.684		
In this organization, my supervisor has the right job knowledge.			.720	
In this organization, my supervisor has the right job knowledge.			.667	
I easily adjust to changes in this organization.			.565	

In this organization, there is low social support, serious conflict, exclusion by superiors or by co-workers at work.				.757
I have a good working relationship with most of my peers, subordinates, customers and the general public.				.741
I do not unnecessarily get involved in trivial disputes and misunderstandings.				.737
Total	4.333	1.968	1.913	1.787
% of Variance	27.084	12.300	11.956	11.170
Cumulative %	27.084	39.384	51.34	62.51
KMO	.722			
Chi-Square	319.562			
Df	120			
Sig.	.000			

Source: Primary Data

In Table 7, results indicate that the employee performance variable yielded 4 factors. The first factor is dependability and this accounted for 27.08% of the variance of employee performance. The second factor (adaptability) accounted for 12.30% of the variance of employee performance while the third factor (job knowledge) accounted for 11.96% of the variance of employee performance. The last factor interpersonal and customer relations accounted for 11.12% of the variance of employee performance. Overall the four factors accounted 62.51% of the variance in employee performance. The items that were retained by exploratory factor analysis for each of the variables above are the ones that were used to compute variables hence test the relationships.

4.4 Descriptive Statistics for Study Variables

Descriptive statistics were used to understand the level of the opinion the respondents had about each of human capital, working environment, employee performance and service quality.

Table 8: Descriptive analysis

	Mean	Std. Deviation	N
Human Capital	3.9505	.51920	77
Work Environment	3.8193	.43304	77
Employee Performance	3.9069	.43402	77
Service Quality	3.7732	.46346	77

Source: Primary Data

The results in Table 8 indicated that the respondents agreed to the existence of human capital with a low deviation implying that the opinion was commonly shared by respondents. (Mean=.3.95, SD=.519). Similarly, the respondents agreed with indicators for working environment and employee performance (Mean=3.819, SD=.433) and employee performance (Mean=3.906, SD=.434). The respondents also said that there was service quality in accommodation facilities (Mean=3.77, SD=.463).

4.5 Correlation Analysis

Correlation analysis was performed to establish the relationship between the variables under study in an effort to test the first three objectives of this study.

Table 9: Correlation Analysis [Summarized]

	1	2	3	4
Human Capital (1)	1			
Work Environment (2)	.611**	1		
Employee Performance (3)	.521**	.747**	1	
Service Quality (4)	.738**	.494**	.588**	1

**correlation is significant at the 0.01 level (2-tailed).

Source: primary Data

4.5.1 The Relationship between Human Capital and Employee Performance

Objective one sought to establish the relationship between human capital and employee performance. Correlation analysis revealed a positive and significant relationship ($r=.521, p<0.01$) between the two. This means that a change of one standard deviation (SD) in human capital is associated with a change of 0.521 SDs in employee performance. This implies that among

accommodation facilities, changes in human capital (training and education, employee performance and employee skills) are associated with changes that occur in employee performance (dependability, adaptability, job knowledge and interpersonal & customer relations). Increase - in human capital investment is associated with positive impacts on employee performance. The findings support objective 1 of this study.

4.5.2 The Relationship between Working Environment and Employee Performance

Objective two sought to establish the relationship between working environment and employee performance. Findings in Table 9 further revealed that there was a significant positive relationship between working environment and employee performance ($r=.747$, $p<0.01$). This is an indication that working environment (pay and benefits, managerial and leadership styles, employee relationships and workplace conditions) is highly associated with employee performance (dependability, adaptability, job knowledge and interpersonal & customer relations). Findings revealed that employees' improvement in their performance is associated with changes in the working environment. The findings support objective 2 of this study.

4.5.3 The Relationship between Employee Performance and Service Quality

Objective three sought to establish the relationship between employee performance and service quality. Findings in Table 7 revealed that there was a significant positive relationship between employee performance and service quality ($r=.588$, $p<0.01$). This is an indication that employee performance (dependability, adaptability, job knowledge and interpersonal & customer relations) is correlated/ associated with service quality (assurance, reliability and responsiveness). Findings revealed that service quality is positively associated with employee performance that is through employees' behaviours and attitude. The findings support objective 3 of this study.

4.6. The Regression Analysis

The regression model was employed so as to examine the level to which the predictor variables such as human capital, work environment and employee performance can predict service quality.

This is reflected in the regression table below;

Table 10: Regression Model

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.634	.332		1.908	.060
Human Capital	.583	.082	.654	7.085	.000
Work Environment	-.216	.127	-.202	-1.708	.092
Employee Performance	.425	.117	.398	3.625	.001
R=.785; R ² =.616; Adj. R ² =.600; Std Error=.29296; df1=3; df2=73; Sig=.000					

Predictors: (Constant), Employee Performance, Human Capital, Work Environment
Dependent Variable: Service Quality

Objective four sought to establish the predictive potential of the three independent variables (human capital, working environment and employee performance) on the dependent variable service quality. Regression analysis results in Table 10 indicate that the three independent variables explain 60% of the variance in service quality (Adj. R²=0.600, p<0.001), individually human capital (Beta=0.654, p<0.001) appeared the highest predictor of service quality among accommodation facilities compared to the other two. Furthermore employee performance (Beta=0.398, p<0.001) was also a significant predictor of service quality. On the other hand

working environment (Beta=0.202, $p \geq 0.05$) was not a significant predictor of service quality. The findings indicate that objective 4 of this study was supported. In correlational analysis results were positive while regression analysis were negative because of using multiple regression and results are conditional so there are subjected to change.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter focuses on the discussion of the findings presented in chapter four. This discussion follows the objectives of the study and attempts are conclusions and recommendations made to relate the findings to the literature reviewed in chapter two.

5.1 Relationship between Human Capital and Employee Performance

Objective 1 sought to establish the relationship between human capital and employee performance. Results indicated a positive and significant relationship between the two variables. This implies that among accommodation facilities in Kampala city changes that occur in human capital are associated with change that occur in employee performance. These results are consistent with earlier findings by Bapna, Langer, Mehra, Gopal and Gupta (2014) who stated that human capital investments directed toward employee training are effective in improving employee performance. Using a dynamic panel model, they identified a significant positive impact of training on employee performance. Their findings showed that a unit increase in training is linked to a 2.14% increase in an employee's performance.

The study demonstrates that when employees improve their skills there is the likelihood that the job knowledge will improve among employees in accommodation facilities. Improvement in employees' skills enables them to adapt to the jobs quickly. A study by Kamau and Waudu (2012) found that there is a relationship between the skills expected by the accommodation industry employers and the set hotels quality standards. Skills with a significant relationship like customer care, multi-skills, communication and understanding the level of service were expected in any

hotel irrespective of its classification. For interpersonal relations and customer service to improve among employees in accommodation facility, there's need to improve employee skills. The study demonstrates that improvement in employee skills among accommodation facilities is likely to result to dependable employees. Meaning that employees may be trusted more if their skills have been improved. The study further finds that for employee judgment to improve on the job and to comply with policies there is necessary for management to improve the employee skills. Training is a planned intervention aimed at enhancing the job performance (Chiaburu and Tekleab, 2005) and is known to be a very vital contributor of the high-quality customer service by the workforce especially in the service-oriented organizations like accommodation facility. Schwartz (1994) says that effective training programs in business require effective management (Redmen and Mathews, 1998) by recognizing desired employee performance and developing a reward system that is connected with service quality. It is argued that since management in service organization cannot directly control quality during the production of service then their staff should be properly trained so as to offer the best service.

When employees go through training and education this leads to job knowledge is an intervention aimed at enhancing the job performance. Interpersonal relations and customer service can also be improved through training and education because in accommodation facilities managers and employees share information and experiences to create insights and skills. Furthermore employees can be more dependable after the training. It plays an essential role delivering strategic objectives of policies set by managers in accommodation facilities. It was further discovered that when accommodation facilities invest in its employees, employment experience at the facilities improves. Employees are able to exhibit job-related knowledge and skills needed to perform the duties and requirements of the job. Employees easily consider willingness to learn quickly, to adapt

to changes in job assignments, methods after training and education. After training employees have a good working relationship with most of the peers, subordinates, customers and the general public, they are reliable in carrying out instructions in the accommodation facility and therefore they are more dependable. Through training supervisors freely share their experiences with the new members and therefore employees always comply with all reasonable requirements of the organization.

5.2 Relationship between Working Environment and Employee Performance

Objective 2 sought to establish the relationship between working environment and employee performance. Results indicated a positive and significant relationship between the two variables. This implies that among accommodation facilities in Kampala city, changes that occur in working environment are associated with change that occurs in employee performance. A similar view was given by Bradley and Osborne (1999) who on their part put forward an idea that an attractive and supportive working environment provide conditions that enable employees to perform effectively, making the best use of their knowledge, skills and competencies and the available resources in order to provide high-quality of organization service. (See: Imrie, 2013; Dedeoglu and Demirer, 2015; Benn, Teo and Martin, 2015). The study's assessment of the work environment in Kampala's hotels revealed that in most hotels, attempts had been made to make physical conditions of the workplace address issues of hygiene and safety needs regardless of the star ratings.

In many accommodation facilities where the physical conditions are hygienic and have a good working environment, everyone is treated with respect; employees are able to exhibit job-related knowledge and skill needed to perform the duties and requirements on the job. Employees easily adjust to changes in the accommodation facilities when there's absence of stress and fairly treated.

In accommodation facility where everyone is treated fairly, employees are reliable in performing work assignments, improved working. Schneider et al. (1998) proposed that performance rests on a set of organizational foundation issues” that support and facilitate front-line employee service provided by support staff, efforts to remove obstacles to work and employee participation and training.

Tsai-Fei Lin (2012) found that the foundation issues were positively associated with branch service climate which was positively associated with customer evaluations of service quality; therefore, human capital is designed to enhance employee’s competencies, motivation, and performance in providing high-quality service to external customers. Improvement in managerial and leadership styles leads to adequate work support such as job training, guidelines and availability of resources. In accommodation facilities where supervisors’ respect the co-workers’ opinion, you find employees are willing to learn quickly and to adapt to changes in job assignments. Employees do not unnecessarily get involved in trivial disputes and misunderstandings. Furthermore where managers recognize the employee's input, then employees are willing to be accountable for responsibilities assigned to them and always comply with all reasonable requirements by the accommodation facility. The study demonstrates that where there are a strong teamwork and good co-worker relationship in accommodation facility this improves on job practices and knowledge gained. Employees easily adapt or new employees easily fit in the changed circumstances. Where employees trust the senior leadership in the accommodation facility employees will have a less problematic interpersonal relationship at work. Employees will be reliable in carrying out instructions in accommodation facility. Employees will always comply with all reasonable requirements when the relationship between employers and employee is good. According to Fehr (1996), friendship is a voluntary, personal relationship typically providing intimacy and assistance.

Berman et al. (2002) define workplace friendship as “non-exclusive voluntary workplace relations that involve mutual trust, commitment, reciprocal liking and shared interests and values”. Workplace friendship increases support and resources that help individuals to accomplish their job, reduce work stress and provide increased communication, cooperation and energy.

5.3 Relationship between Employee Performance and Service Quality

Objective 3 sought to establish the relationship between employee performance and service quality. Results indicated a positive and significant relationship between the two variables. This implies that among accommodation facilities in Kampala capital city authority changes that occur in employee performance are associated with change that occurs in service quality. These results are consistent with earlier findings. Many studies find a link between employee performance and service quality. Employee performance has a direct impact on service quality. These study findings affirm the claim by other researchers (See: Anitha, 2014; Mensah, 2016; Sharma, 2016) that the individual employee experiences best predict employee satisfaction. Employee satisfaction in turn directly affects service quality. With job knowledge employees are able to exhibit job related knowledge and skills needed to perform the duties and requirements on the job this helps the accommodation facility staff to be reliable and dependable. Through job knowledge employees understand guests’ specific needs and are capable to give personalized attention to customers and this will lead customers to trust employees. Where employees are empowered they will respond without consulting managers this will lead employees to give prompt service to our accommodation customers.

The study by Sharma et al. (2011) on Chinese and Indian Insurance Industry emphasized the importance of the employee in providing services. The research found that customers continue to

value person-to-person contact in both the countries. Improved adaptability among staff, employees easily adjust to changes in the accommodation facility. This can improve on the reliability of staff since service quality cannot be standardized changes are always available, the staff are able to give individual attention to customers and this will give value for money for our customers in terms of fair treatment and care for customers. In order for the hotel facility to adapt well accommodation facilities, food and beverage have to meet guests' needs and employees.

5.4 Relationship between Human Capital, Working Environment, Employee Performance and Service Quality Accommodation Facilities in Kampala City

Objective 4 of the study found out a link between human capital, working environment, employee performance and service quality. Results indicated a positive and significant relationship between the independent variables and dependent variables. This one implies that among accommodation facilities in KCCA that changes that occur human capital, working environment, employee performance is associated with change that occur in service quality. The findings are comparable to those by Jorge et al. (2014) advised that service rests on a set of organizational "foundation issues" that support and facilitate front-line employee service provided by support staff, efforts to remove obstacles to work and employee participation and training. Indeed, the role of human capital in shaping service quality is straight forward, without evasion or compromise employee experience also extend to the work itself. Meaningful work ensures that employees' skills and talents are being fully utilized and there is greater alignment to shared, core values. Similar to what Aryee, Walumbwa, Seidu and Otaye (2012), who in their study on the relationship between human capital and service quality found out that high-performance work systems are positively correlated with collective human capital and aggregated service orientation, which in turn related to

individual-level service quality. According to Fehr (1996), friendship is a voluntary, personal relationship typically providing intimacy and assistance. Berman et al. (2002) define workplace friendship as “non-exclusive voluntary workplace relations that involve mutual trust, commitment, reciprocal liking and shared interests and values”. Workplace friendship increases support and resources that help individuals to accomplish their job, reduce work stress and provide increased communication, cooperation and energy.

5.5 Conclusions

The study focused the establishing the relationship between human capital, working environment, employee performance and service quality in accommodation facilities in Kampala City. There exists a high positive correlation between human capital and employee performance in accommodation facilities in Kampala City. When human capital practices improve, employee performance will also improve significantly. There exists a high positive correlation between working environment and employee performance in accommodation facilities in Kampala City. When working environment improves, employee performance will also improve significantly. Human capital and employee performance are significant predictors of service quality in accommodation facilities in Kampala City while working environment is a non-significant predictor of service quality. When Human capital and employee performance improve service quality also improves significantly in accommodation facility in Kampala City.

5.6 Recommendations

The following recommendations are made from the findings basing on the study.

- Service quality is significant and positively related to human capital and employee performance. All efforts should be made to improve on these independent variables so as to

improve on the service quality in accommodation facilities. Through human capital, employees improve their skills; there is a likelihood that the job knowledge will improve among employees in accommodation facilities. Improvement in employees' skills enables them to adapt to the jobs quickly and this will lead to the improvement of service quality in accommodation facilities in Kampala City.

- Accommodation facility management should invest in human capital through training and educating their staff in relevant areas, do exchange programs where staff are taken to other accommodation facilities to learn how things are done in those areas or organizing career guidance programs from mentors in accommodation facilities areas so as to improve service quality in accommodation facility.
- For service quality to improve in the accommodation facilities in Kampala City employees have to be reliable and this can be done through regular training, employees have to understand guest's specific needs, there should be value for money, the hotel's exterior and interior should be modern and well maintained and employees are able to give prompt service to the guests and customers.

5.7 Limitations of the Study

- 1) ***Sensitive information:*** - It was considered that any feedback from employees on their commitment to the organization's shared vision and their views of management's efforts is a sensitive matter which some respondents would feel uncomfortable addressing due to personal issues. This could affect the validity and reliability of data collected. The study thus endeavoured to assure all respondents of confidentiality of the information to be collected.
- 2) ***Non-responses:*** - The manner in which individuals interact as a way of contributing to the high performance in accommodation facilities is susceptible to the attitudes, feelings, or

circumstances of others and therefore some employees and employers could have been reluctant to divulge. To reduce non-responses, self-administered questionnaires were used as primary data collection since, unlike interviews, self-administered questionnaires are impersonal and only the respondent knows his/her answers. Self-addressed, stamped envelopes for returning mail surveys were provided to avoid non-responses and delays in submitting filled questionnaires.

- 3) ***Time:*** - Limited duration within which the data was to be collected, analyzed and a report written was short. This could limit the scope of the analysis. Attempts were made to have some respondents administer their questionnaires using email and social media channels to speed up the data collection process and reduce the transport costs.
- 4) ***Part-time and seasonal nature of work in hospitality sector:*** - Because employers are accustomed to hiring part-time and/or seasonal employees who may not be fully aware of the issues surrounding such facilities. Therefore, it's possible some responses from such employees may not be authoritative. To overcome these, efforts were made to identify specific respondents with long-term experience and also establish a continuous feedback mechanism between data sources and data analysis to ensure that data types, quantity, quality and origin are consistent with the requirements for determination of the performance indicator in question.
- 5) ***Financial Constraints:*** - Limited financial resources limited the scope of data collection and analysis. This was overcome by making use of volunteers from the same hospitality sector. In addition, the study opted to use a representative sample of 77 hospitality establishments from a total 125 recognized facilities in Kampala to limit the amount of time required to collect data.

5.8 Areas for Further Research

- As advised by Sharma et al. (2011), it is noted that the attributes used as indicators affect only major aspects of service quality, and therefore they cannot be considered comprehensive. For instance, the existence zero correlations between pairs of some distinct variables can be explained by the fact that there could be the existence of hidden variables. As a consequence, this study did not exhaust all the factors that influence service quality, thus the need for other researchers to conduct an exhaustive study on other factors that predict service quality.
- For future studies I recommend that the input of customers can also be considered so that the accommodation facility can perceive and improve their wellbeing.

REFERENCES

- A comparative study between Indian and Chinese Customers. *Research Journal of finance And Accounting*, ISSN 2222-1697, **2**(5): 2222-2847.
- Amin, M., Isa, Z. and Ismayatim, Y. (2013). Service quality and customer satisfaction in the hotel industry. *International Journal of Contemporary Hospitality Management*, **29**(1): 2-29, doi: 10.1108/IJCHM-10-2015-0594.
- Anitha, J. (2014). Determinants of employee engagement and their impact on employee performance. *International Journal of Productivity and Performance Management*, **63**(3).
- Aryee, S., Walimbwa, F. O., Seidu, E. Y. M. and Otaye, L. E. (2012). Impact of high –performance work systems on individual and branch level performance: Test of a multilevel model of applied psychology, **97**:287-300.
- Aryee, S., Walumbwa, F. O., Seidu, E. Y. M. and Otaye, L. E. (2016). Developing and Leveraging Human Capital Resource to Promote Service Quality: Testing a Theory of Performance. *Journal of Management*, **42**(2).
- Augusto, F., Eduardo, C. and Jorge, C. (2014). Human capital, social capital and organizational performance. *Management Decision*, **52**(2).
- Bapna, R., Langer, N., Mehra, A., Gopal, R. and Gupta, A. (2014). Human Capital Investments and Employee Performance: An Analysis of IT Services Industry: Institute for Operations Research and the Management Sciences (INFORMS). *Management Science*, **59**(3): 641-658.
- Bekir, B. and Dedeoglu, H. D. (2015). “Differences in service quality perceptions of stakeholders in the hotel industry,” *International Journal of Contemporary Hospitality Management*, **27**(1): 130 – 146.
- Benn, S., Teo, S. T. T. and Martin, A. (2015). “Employee participation and engagement in working for the environment,” *Perso. Review*, **44**(4): 492 – 510.

- Bontis, N. and Ftzenz, J. (2002). Intellectual capital ROI: A current map to human capital
- Bradley, S. and Osborne, P. (1999). "The working environment: Catalyst or constraint?" *Journal of Corporate Real Estate*, **1**(2): 178 – 190.
- Brian, C. Imrie (2013). "The influence of social capital on service quality evaluation," *Management Decision*, **51**(4): 871 – 889.
- Christabella, P. Bushiri (2014). The Impact of Working Environment on Employees' Performance: The Case of Institute of Finance Management in Dar es Salaam Region. *Unpublished thesis*. The Open University of Tanzania.
- Dooley, E. (2000). Intellectual capital in the software industry: An empirical test. *PhD dissertation*, College of Business Administration, University of Washington, Tacoma, Wa.
- Franco, L. M., Bennett, S., Kanfer, R. and Stubblebine, P. (2000). Health Worker Motivation in Jordan and Georgia: A Synthesis of the Results, *Major Applied Research 5*, Technical Paper 3 Bethesda, Maryland: Partnership for Health Reform Project.
- Gao, L. W. (2011). "A study of how the international service quality of international tourist hotels affects organizational performance using employees' job satisfaction as mediator".
- Gay, L. R., Geoffrey, E. M. and Peter, A. (2012). *Educational Research: Competencies for Analysis and Applications*, Tenth Edition.
- Ghorbani, H. and Maedeh, M. (2013). "Direct and indirect internal Marketing on service quality and Mediating Role of OCB, CASE: Iran Insurance company", *International Journal of Academic Research in Business and Social Science*.
- Inayatullah, A. and Jahangir, P. (2012). Teachers Job Performance: The Role of Motivation. *Abasyn Journal of social science*, **5**(2).

- James, K. M. (2016). A “coalesced framework” of talent management and employee performance: For further research and practice. *Evidence-based HRM: a Global Forum for Empirical Scholarship*, **4**(2).
- Jianping, P., Xinyuan, Z., and Anna, S. M. (2015). Improving service management in budget hotels. *International Journal of Hospitality Management*, **49**: 139-148.
- Kamau, S. W. and Waudo, J. (2012). Hospitality industry employer’s expectation of employees competencies in Nairobi Hotels. *Journal of Hospitality Management and Tourism*, **3**(4): 55-63.
- Lin, L., Ing-Chung, H., Pey-Lan, D. and Tsai-Fei, L. (2012). “Human capital disclosure and organizational performance: The moderating effects of knowledge intensity and organizational size,” *Management Decision*, **50**(10): 1790 – 1799.
- Maimunah, I. and Lawrence, A. (2008). Workforce diversity: A human resource development perspective towards organizational performance. *European Journal of social science*, **6**(2): 244-25.
- Parasuraman, A., Zeithaml, V. A. and Berry, L. L. (1985). “A conceptual model of service quality and its implications for future research,” *Journal of Marketing*, **49**: 41-50.
- Sabrina, W. and Benjamin, S. F. (2015). “The relationship between employee orientation, financial performance and leverage,” *Social Responsibility Journal*, **11**(4): 716 – 733.
- Sharabi, M. (2013). “Managing and Improving Service Quality in Higher Education.” *International Journal of Quality and Service Sciences*.
- Sharma, K. R., Goel, K. R. and Pradesh, G. U. (2011). Service Quality Assessment in Insurance Sector: Antecedents and consequences, *Journal of intellectual capital*, **3**(3): 223-247.
- Sharma, P., Kong, T. T. and Kingshott, R. P. J. (2016). Internal service quality as a driver of employee satisfaction, commitment and performance: Exploring the focal role of employee well-being. *Journal of Service Management*, **27**: 5.

- Stup, R. (2003). Control the factors that influence employee success. *Managing the Hispanic workforce Conference*, Cornell University and Pennsylvania State University.
- Sumarjan, N., Arendt, S. W. and Shelley, M. (2013). "Incongruent quality management perceptions between Malaysian hotel managers and employees," *The TQM Journal*, **25**(2): 124-140.
- Tsai, W. D. (2016). Applying revised gap analysis model in measuring hotel service quality. Springer Plus **5**: *International Journal of Contemporary Hospitality Management*, **29**(1): 2-29, doi: 10.1108/IJCHM-10-2015-0594.
- United Nations Development Program Report (UNDP), 2015.
- Wei, Y. and Yan, Z. (2010). "Study on the influence of job pressure on staffs' study orientation in the service industry", *International Conference on Information Management, Innovation Management and Industrial Engineering China, 26-28 November 2010, Kunming*, 493-495.
- Wu, H. C. (2013). "An empirical study of the effects of service quality, perceived value, corporate image, and customer satisfaction on behavioural intentions in the Taiwan quick service restaurant industry" *Journal of Quality Assurance in Hospitality and Tourism*, 14(4): 364-390.
- Wu, H. C. (2013). "Assessment of service quality in the hotel industry, *Journal of Quality Assurance in Hospitality and Tourism*, 14(3): 218-244.

APPENDICES

Appendix one: Research Questionnaire

**MAKERERE UNIVERSITY
MAKERERE UNIVERSITY BUSINESS SCHOOL
FACULTY OF GRADUATE STUDIES AND RESEARCH**

Dear respondent;

This questionnaire aims to bring out service quality, human Capital working environment issues that may need attention to help accomplish your business objectives. Do not include your name on this questionnaire.

PART I: BACKGROUND INFORMATION

1) Facility/Hotel's names: _____

2) Gender: Male Female

3) How long has organization been in service (Years/ Months)

4) What is the legal status of your hotel/ facility?

Sole proprietorship Partnership Limited liability Company

Multinational Other (Specify) _____

5) How many departmental Units be there in your organization?

1) Below 2) 3 – 3) 6 – 4) Over

PART II: SERVICE QUALITY

Dear sir /madam,

Please select the number below that best represents how you feel about these variables in your organization.

Strongly Agree =5, Agree= 4, Don't Know= 3, Disagree=2, Strongly Disagree=1

PLEASE INDICATE YOUR RESPONSE BY TICKING

S/No	STATEMENT					
	Reliability					
REL1	In this organization, employees are regularly trained and developed to enhance service quality	1	2	3	4	5
REL2	In this organization employees Show dependability in handling service problems	1	2	3	4	5
REL3	This organization Promises to provide a service and does so.	1	2	3	4	5
REL5	In this organization supervisors regularly communicate error-free service and managers are available for consultation.	1	2	3	4	5
REL5	In this organization, our services fail to deliver what customers want	1	2	3	4	5
	Empathy					
EMP1	In this organization, employees give individual attention to customers.	1	2	3	4	5
EMP2	In this organization, employees are valued resource	1	2	3	4	5
EMP3	In this organization, employees understand guests' specific needs	1	2	3	4	5
EMP4	In this organization, employees are willing and capable to give personalized attention to a customer	1	2	3	4	5
EMP5	In this organization employees / Customers feedback is used to improve service quality.	1	2	3	4	5

	Assurance					
ASS1	In this organization, there is value for money, fair treatment & care for customers.	1	2	3	4	5
ASS2	In this organization, employees have skills to perform the service	1	2	3	4	5
ASS3	In this organization, customers are able to trust employees.	1	2	3	4	5
ASS4	Our facility staff know customer's experiences and expectations	1	2	3	4	5
ASS5	Disconfirmation of quality arises from discrepancies between anticipated and perceived performance levels	1	2	3	4	5
	Tangibles					
TAG1	In this organization, the hotel's interior and exterior are modern & well maintained.	1	2	3	4	5
TAG2	In this organization equipment and facilities are easy to use and comfortable.	1	2	3	4	5
TAG3	In this organization facilities, food and beverages meet guests' needs.	1	2	3	4	5
TAG4	In this organization, employees dress and appear neat.	1	2	3	4	5
TAG5	In this organization there adequate facilities and supplies	1	2	3	4	5
	Responsiveness					
RES1	In this organization, employees give prompt services.	1	2	3	4	5
RES2	In this organization, employees are never too busy to respond promptly to requests.	1	2	3	4	5
RES3	In this organization, employees are empowered to respond without consulting managers.	1	2	3	4	5
RES4	In this organization, employers reward outstanding performance.	1	2	3	4	5

RES5	In this organization, there is high uncertainty and low confidence in the staff who offer service.	1	2	3	4	5
------	--	---	---	---	---	---

PART III: QUESTIONNAIRE ON HUMAN CAPITAL

Please answer the questions by marking the alternative that best coincides with your feeling about human capital.

S/NO	STATEMENT	1	2	3	4	5
	Employee Skills					
HC 1	This organization is continuously investing in employee skills and knowledge.	1	2	3	4	5
HC2	This organization has devoted a portion of its budget for professional development for employees.	1	2	3	4	5
HC3	This organization has a mentoring / job shadowing program for employees.	1	2	3	4	5
HC4	This organization has invested in managers' supervisory training programs.	1	2	3	4	5
HC5	In this organization employee's skill, behaviour, and HR practices are standardized.	1	2	3	4	5
	Training & Education					
T&E1	In this organization employees are highly trained.	1	2	3	4	5
T&E2	In this organization, many jobs require skills and training beyond secondary education.	1	2	3	4	5
T&E3	In this organization education and training undertaken by employees is relevant to their jobs.	1	2	3	4	5
T&E4	In this organization, employees have a chance to use their skills on the job.	1	2	3	4	5
T&E5	In this organization, employees receive enough training when it comes to using new equipment.	1	2	3	4	5

	Employee Experience					
EE1	This organization invests in thorough applicant screening to ensure a match of personality to workplace culture.	1	2	3	4	5
EE2	In this organization, employees are very satisfied with their work experience.	1	2	3	4	5
EE3	In this organization employment experience at this company meets employee expectations.	1	2	3	4	5
EE4	In this organization supervisors freely share their experience with the new members.	1	2	3	4	5
EE5	In this organization, employees show their confidence because of their experience.	1	2	3	4	5

PART IV: WORKING ENVIRONMENT

This questionnaire aims at collecting information about the working environment and employee performance. PLEASE TICK appropriate rankings that best represents your opinion

S/NO	STATEMENT					
	Work Place Conditions					
Wpc1	This organization the physical conditions of the workplace are intended to address the degree to which the “hygiene” and safety needs at work are fulfilled	1	2	3	4	5
WE2	In this organization, there is the absence of work-related stress, harassment or bullying.	1	2	3	4	5
WE3	In this organization, we have a good working environment everyone is treated fairly and respectfully.	1	2	3	4	5
WE4	In this organization, workplace conditions impact negatively on staff’s job satisfaction	1	2	3	4	5
WE5	In this organization job satisfaction is related to background characteristics and workplace conditions	1	2	3	4	5
	Managerial / Leadership Styles					

ML S1	In this organization, the manager provides support, such as recognition and feedback, and has good management styles, such as treating team members fairly, which directly influence employee satisfaction and engagement.	1	2	3	4	5
M/LS2	In this organization, there is adequate Work Support such as such as job training, guidelines and the availability of resources.	1	2	3	4	5
M/LS3	In this organization, my nearest supervisor respects the co-worker's opinions.	1	2	3	4	5
M/LS4	In this organization, the manager's leadership style impacts positively on its success	1	2	3	4	5
M/LS5	In this organization, the manager's leadership style is gender sensitive	1	2	3	4	5
	Pay and Benefits					
PB1	In this organization, the compensation packages are characterized by fairness, transparency of pay determination and competitiveness.	1	2	3	4	5
PB2	In this organization opportunities for promotion and advancement exist in the organization as well as career development opportunities and support	1	2	3	4	5
PB3	In this organization Pay and benefits are adequate for all employees.	1	2	3	4	5
PB4	In this organization, turnover is caused by poor attitudes towards benefits and pay satisfaction	1	2	3	4	5
PB5	Employee retention is based on pay satisfaction in this organization	1	2	3	4	5
	Employee Relationship					
ER1	There exist a strong teamwork and good co-worker relationship in this organization.	1	2	3	4	5
ER2	Employees trust the senior leadership in this organization.	1	2	3	4	5

ER2	There is knowledge sharing /exchange amongst staff.	1	2	3	4	5
ER3	In this organization, there is a good attitude and intentions toward knowledge sharing with colleagues.	1	2	3	4	5
ER5	In this organization, the relationship between some employees and the managers/ supervisors is not probably good.	1	2	3	4	5

PART IV: EMPLOYEE PERFORMANCE

S/No	STATEMENT					
	Job Knowledge					
JK1	I am able to exhibit job-related knowledge and skill needed to perform the duties and requirements of my job.	1	2	3	4	5
JK2	I have knowledge of the methods, practices and equipment needed to do the job.	1	2	3	4	5
JK3	I have knowledge gained through experience, education and specialized training.	1	2	3	4	5
JK4	In this organization, the staff promotions are based on job knowledge.	1	2	3	4	5
JK5	In this organization, my supervisor has the right job knowledge.	1	2	3	4	5
	Adaptability					
ADPT1	I easily adjust to changes in this organization.	1	2	3	4	5
ADPT2	I have the initiative to recommend beneficial changes in work procedures.	1	2	3	4	5
ADPT3	I easily consider willingness to learn quickly, to adapt to changes in job assignments, methods, personnel.	1	2	3	4	5
ADPT4	New staff easily fit in changed circumstances in this organization.	1	2	3	4	5

ADPT5	In this organization, my supervisor encourages me to be flexible and adaptable.	1	2	3	4	5
	Interpersonal Relations & Customer Service					
IRCS1	I have a good working relationship with most of my peers, subordinates, customers and the general public.	1	2	3	4	5
IRCS2	I do not unnecessarily get involved in trivial disputes and misunderstandings.	1	2	3	4	5
IRCS3	I always provide appropriate support towards the accommodation facility and its customers.	1	2	3	4	5
IRCS4	I have problematic interpersonal relationships at work.	1	2	3	4	5
IRCS5	In this organization, there is low social support, serious conflict, exclusion by superiors or by co-workers at work.	1	2	3	4	5
	Dependability					
DE1	I am reliable in carrying out instructions in this organization.	1	2	3	4	5
DE2	I am reliable in performing work assignment.	1	2	3	4	5
DE3	I am willing to be accountable for responsibilities assigned to me.	1	2	3	4	5
DE4	Employee participation enhances organizational effectiveness.	1	2	3	4	5
DE5	Owners' conscientiousness breeds psychological contract with employees in this organization.	1	2	3	4	5
	Judgement And Policy Compliance					
JPC1	I always evaluate situations and make sound decisions in this organization.	1	2	3	4	5
JPC2	I always comply with all reasonable requirements by the accommodation facility.	1	2	3	4	5
JPC3	The facility always complies with national regulatory policies	1	2	3	4	5
JPC4	Owners implement equal employment policies and gender parity	1	2	3	4	5

JPC5	I always comply with all reasonable requirements by the organization.	1	2	3	4	5
------	---	---	---	---	---	---

...Thank You...

Appendix Two: Correlation Analysis (Detailed)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Pay & Benefits (1)	1														
Management & Leadership Skills (2)	.259*	1													
Employee Relationships (3)	.452**	.203	1												
Workplace Conditions (4)	.297**	.224	.193	1											
Training & Development (5)	.595**	.228*	.302**	.393**	1										
Employee Experience (6)	.347**	.106	.045	.399**	.640**	1									
Employee Skills (7)	.263*	.442**	.113	.169	.252*	.160	1								
Dependability (8)	.577**	.255*	.449**	.357**	.417**	.164	.179	1							
Adaptability (9)	.317**	.227*	.378**	.197	.304**	.068	.233*	.375**	1						
Job Knowledge (10)	.492**	.415**	.520**	.463**	.446**	.264*	.258*	.399**	.353**	1					
Interpersonal Relations (11)	.343**	.331**	.171	.248*	.305**	.114	.120	.391**	.132	.300**	1				
Work Environment (12)	.750**	.700**	.661**	.563**	.551**	.312**	.396**	.596**	.412**	.690**	.416**	1			
Human Capital (13)	.562**	.364**	.295**	.433**	.906**	.684**	.540**	.382**	.320**	.481**	.314**	.611**	1		
Employee Performance (14)	.629**	.416**	.539**	.446**	.521**	.213	.270*	.845**	.632**	.684**	.627**	.747**	.521**	1	.
Service Quality (15)	.576**	.200	.240*	.335**	.739**	.557**	.348**	.474**	.384**	.424**	.373**	.494**	.738**	.588*	1