
BY:

TESFAYE HAILEMARIAM

DECEMBER 2019

ADDIS ABABA, ETHIOPIA

BY:

TESFAYE HAILEMARIAM

Advisor: Zemenu Aynadis (Ass. Prof.)

A THESIS SUBMITTED TO ST. MARY’S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS ADMINISTRATION

DECEMBER 2019
ADDIS ABABA, ETHIOPIA
ST. MARY’S UNIVERSITY

SCHOOL OF GRADUATE STUDIES


BY:

TESFAYE HAILEMARIAM

APPROVED BY BOARD OF EXAMINERS

__________________________________________  _______________________
Dean (Graduate studies)                       Signature & Date

__________________________________________
Advisor                                       Signature & Date

__________________________________________
Internal Examiner                             Signature & Date

__________________________________________
External Examiner                             Signature & Date
Table of Contents

ACRONYMS.................................................................................................................................iii
ACKNOWLEDGEMENTS ...............................................................................................................iv
LIST OF TABLES ............................................................................................................................v
LIST OF FIGURE ...........................................................................................................................v
ABSTRACT ..................................................................................................................................vi
CHAPTER ONE ..............................................................................................................................1
INTRODUCTION ............................................................................................................................1
  1.1. Background of the Study ........................................................................................................1
  1.2. Statement of the problem ........................................................................................................3
  1.3. Research Questions ...............................................................................................................4
  1.4. Objectives of the Study .........................................................................................................4
    1.4.1. General Objectives ........................................................................................................4
    1.4.2. Specific objectives are: ..................................................................................................4
  1.5. Significance of the Study ......................................................................................................4
  1.6. Delimitation/Scope of the Study ..........................................................................................5
  1.7. Limitations of the Study ......................................................................................................5
  1.8. Organization of the Paper ....................................................................................................5
CHAPTER TWO .............................................................................................................................7
RELATED LITERATURE REVIEW ..................................................................................................7
  2.1. Introduction ........................................................................................................................7
  2.2. Theoretical Literature .........................................................................................................7
    2.2.1. The Concept of Human Resource Management (HRM) .............................................7
    2.2.2. Theoretical Issues on Human Resource Management and Performance ..................8
      2.2.2.1 Definition of Human Resource Management .............................................................8
      2.2.2.2 Theories and Perspectives of Human Resource Management ...............................8
    2.3. Empirical Literature .........................................................................................................11
      2.3.1. Human Resource Management Practices ................................................................11
  2.4. Conceptual Frame Work ....................................................................................................20
CHAPTER THREE .........................................................................................................................22
RESEARCH DESIGN AND METHODOLOGY .............................................................................22
  3.1. Research Design .................................................................................................................22
  3.2. Population of the Study .......................................................................................................22
  3.3. Sample Size & Sampling Method .......................................................................................23

ACRONYMS

FnB: Food & Beverage

H/K: House Keeping

F.O: Front Office

Dep’t: Department

GM: General Manager

HRM: Human Resource Management

HR: Human Resource

HH: Harmony Hotel

i.e.: That is

1<sup>st</sup>: First

&: And

HRD: Human Resource Development

DV: Dependent Variable

IV: Independent Variable
ACKNOWLEDGEMENTS

It is with greatest respect and admiration that; I express my sincere thanks to my advisor Zemenu Aynadis (Ass. Prof.) who has been a source of personal encouragement, moral support, intellectual stimulation, and invaluable guidance throughout the preparation of this thesis. He was very kind and helpful to me all the times whenever I faced a problem.

I express my deepest gratitude to managers and employees who are working in different departments of Harmony Hotel for providing me the necessary data and assistance to carry out this research successfully.

My appreciation goes to all the Lecturers of ST’ MARY’S UNIVERSITY school of graduate studies for their assistance to reach my academic goals. I should express my thanks to all the Staff at school of graduate studies for their support throughout the student life at this university.

In addition to this, I wish to thank my friends who encouraged and supported me to complete this thesis successfully.
LIST OF TABLES

Table 3.1: Reliability Statistics for the HR Practices & Investigation Challenges .......... 25
Table 4.1. Demographic Information of Respondents’ ............................................. 27
Table 4.2 I. Human Resource Practice of Respondents’ ...........................................29
Table 4.2 II. Human Resource Practice of Respondents’ ......................................... 30
Table 4.2 III. Human Resource Practice of Respondents’ ........................................ 31
Table 4.2 IV. Human Resource Practices of Respondents’ ....................................... 31
Table 4.3. Investigation of Human Resource challenges ............................................. 32

LIST OF FIGURE

Fig 2.1 Conceptual framework of HRM practices and organizational performance ........ 21
ABSTRACT
This research looked at the impact of Human Resource Management practices on organizational performance in the case of Harmony Hotel in Addis Ababa. The assumption underpinning the practice of Human Resource Management is that people are the organization’s key resource and organizational performance largely depends on them. Therefore, if an appropriate range of Human Resource policies and processes are developed and implemented effectively, Human Resource will make a substantial impact on organizational performance. However, Harmony Hotel is yet to catch the Human Resource Management cold. The objectives of the study were to examine the general Human Resource practices and programs of the Harmony Hotel, evaluate the perceptions of employees on Human Resource practices and programs of the Harmony Hotel and establish the impact of properly managing human resources on the performance of this Hotel. This study surveyed in Harmony Hotel with total respondents of 170 made up of 18 managerial employees and 152 non-managerial employees. The response rate was 94.12% which represented 18 managerial employees and 142 non-managerial employees. The study Involves & Human Resource Practices and Challenges focused questions in the form of questionnaires for the sample sizes taken. Purposive Sampling technique was applied. The findings of the study revealed that Human Resource practices are improperly planned; implemented and managed by non-Human Resource experts and that the practices, programs and policies of Harmony Hotel are lowly perceived by their employees. The study also showed that the enormous benefits of properly managing human resources are lost to this Harmony Hotel. It was recommended that Harmony Hotel should dedicate a department to Human Resource for the proper management of human resources through whom competitive advantage could be created.

Keywords: Human Resource Practices, Human Resource Challenges
CHAPTER ONE

INTRODUCTION

1.1. Background of the Study
Organizations have increasingly recognized the potential for their people to be a source of competitive advantage.

In today’s competitive and rapidly changing business world, organizations especially in the service industry needs to ensure maximum utilization of their resources to their own advantage; a necessity for organizational survival. Studies have shown that organizations can create and sustain competitive position through management of non-substitutable, rare, valuable, and inimitable internal resources (Barney, 1991).

HRM policies on selection, training and development, performance appraisal, compensation, promotion, incentives, work design, participation, involvement, communication, employment security, etc. must be formulated and implemented by HRM specialist with the help of line managers to achieve the following outcomes: competence, cooperation with management, cooperation among employees, motivation, commitment, satisfaction, retention, presence, etc.

For businesses to survive, HRM should be given its rightful place of relevance in any organization and not left in the hands of line managers who neither have the expertise nor the time and space to carry out the enormous functions of a human resource manager.

The formal performance management systems start as a practice for polishing the human capacities. These capacities might incorporate the observing of employees, the assessment of contracting and preparing techniques and the approval of human resource management practices. Moreover, the framework of a performance appraisal system is perplexing because of the numerous measurements developed by the managers for evaluating consequences in different setup. Performance appraisal is also being seen as having direct influence on job satisfaction and motivation of workers (Ahmad, R, & Ali, NZ, 2004). Thus it becomes a big challenge for the human resource professionals to provide better motivating techniques for good performance.

In contemporary era, verging on each organization whether it is public or private requires a framework to assess their employee’s performance. The managerial information, ability, standards, commitment and appraisals might influence the employee’s performance (Ikram, M, et. al; 2011). In nineteenth century Taylor’s practiced a performance appraisal system
predominantly and merit rating was developed through close system for legitimizing employee's wages and performance. Actually, an employee performance appraisal system is used by the manager’s to strengthen the human potentials hence to gain maximum benefit. Performance appraisal is that instrument which can be utilized to oversee employee’s performance successfully. Research reveals that Performance appraisal framework creates the association between supplementary pay and remunerates competent work forces and enhance their inspiration and overall commitments (Giangreco, et al., 2012).

The performance appraisal can be seen as the systematic description of individual job relevant strength and weakness for the purpose of making a decision about the individual (Ahmad & Bujang, 2013). It can therefore be construed that an evaluation framework can extremely depend on vital measures, neither suitable nor reasonable, especially to the representative, whose performance is being assessed (Jan, et.al, 2014).

The literature revealed that performance appraisals are a practice to measure how individual employees are acting and how they can enhance their performance in the organization (Mohammad, M et.al, 2012). Motivation or commitment is the technique which is commonly used for capacity building. Motivation is a determined power that leads and coordinated a man toward some particular goals (Iskandar, et al., 2013). Performance management guides and persuades employees to expand their endeavors for the benefit of the organization to meet its key destinations.

Performance Management system (PMS) is the procedure that clearly includes certification and support of the employees inside the organization and that decides the outcomes, across the norms that are set by the organization (Neelam, et al., 2013). The performance evaluation system can upgrade advantages through effective motivation and avoided the suspicions in the present system (Shahzadi, J, et al., 2014).

The Employee engagement is the level of commitment and involvement an employee has towards their organization and its values. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. It is a positive attitude held by the employees towards the organization and its values. Employee engagement is defined as a positive emotional connection to an employee’s work. Engaged employees are inspired to go above and beyond the call of duty to help meet business goals. Engagement at work was conceptualized by Kahn, (1990) as the harnessing of
organizational member’s selves to their work roles. In engagement, people employ and express themselves physically, cognitively, and emotionally during role performances. There are a number of factors that defines an employee as an engaged employee. The concept has evolved from existing positive factors that make an employee positively productive. Employee Performance is outcomes achieved and accomplishments made at work. It is aimed at results as planned. Although performance evaluation is at the heart of performance management (Cardy 2004), the full process extends to all organizational policies, practices, and design features that interact to produce employee performance. This integrative perspective represents a configurationally approach to strategic human resources management which argues that patterns of HR activities, as opposed to single activities, are necessary to achieve organizational objectives (Delery and Doty, 1996).

1.2. Statement of the problem

HRM plays great role into the Ethiopian corporate world. It is common to see large organizations in Ethiopia set up a whole department for the sole purpose of managing human resources and hire experts in the field to be in charge of HRM.

Human Resource Management is extremely important for Hospitality industries, such as for Hotel Industries. Because in order to sell products for customers, there must be committed, eager, proactive, happy staff members to serve professionally. Unless otherwise; it’s nothing industries without effective & efficient manpower.

In coming times, the very survival of the hotel will depend on customer satisfaction. Having this in mind being there is occurred 153 employees turn over in the company (i.e. Harmony Hotel) during the April 2018 to June 2019 G.C. resigned in different cases which is rate of 52.04% (i.e. 153/294 *100 =52.04%), this could the evidence in which the researcher could carry out the problem of the study.

It is in the face of this existing state that the researcher wishes to handle the employees conductively & apply continual follow up of the staff working environment with presence of job analysis on organizational performance and how star hotels can, through appropriate HRM practices improve performance.
1.3. Research Questions

✓ What are the HR Practices existing in Harmony Hotel?
✓ How can it be investigating the HR challenges in Harmony Hotel?
✓ How can be minimizing the employees’ turnover in Harmony Hotel?
✓ What is the Performance of Harmony Hotel?

1.4. Objectives of the Study

1.4.1. General Objectives

The general objective of this study is to explore the HRM practices & organizational performance of harmony Hotel.

1.4.2. Specific objectives are:

➢ To examine the Human Resource practices of Harmony Hotel.
➢ To investigate HR challenges of in Harmony Hotel.
➢ To Minimize the employees’, turn over in Harmony Hotel.
➢ To explain the performance of Harmony Hotel.

1.5. Significance of the Study

In order to give effective and efficient human resource management needs to be managed in accordance with acceptable theories and practices. Conducting research on human resource management practices help to assess the effect towards employee satisfaction is that the major reason that adversely influence its success may help the company:

➢ To bring improvement in overall recruitment and selection process in acquiring and staffing employees.
➢ To capacitate employees through training and development that helps to promote the carrier development.
➢ To improve the system of performance appraisal in suggesting modern performance appraisal system.
➢ To generate knowledge how to consider contribution related pays.
➢ To create perspective of employees’ participation in allowing to involve in decision making.
➢ To minimize employees, turn over in Harmony Hotel via developing ownership feelings.
➢ The study is also to add to the knowledge of HRM concepts in Harmony Hotel.
➢ Corporate world and serve as reference for future studies.
The study can also help the concerned parties to get feedback because; it points out the problem with one of human resource management practices and suggests remedial action to be taken. This study can offer valuable insight to the management of the company about the importance of applying best performance appraisal practice for better employee satisfaction.

The study can also be used as a secondary source of data for those individuals who want to conduct similar study or obtain information on similar issues as well as for further findings under related themes.

1.6. Delimitation/Scope of the Study
This study concentrated on assessing recruitment & Selection, Composition, Training, Career development, safety & Security, Freedom of the employees as well as organizational performance of Harmony Hotel, etc. ranging from 2018/2019. This hotel is found here in Addis Ababa sub city of Bole. More specifically it focuses on the features of the Human Resource Management process that, given the appropriate configuration, would allow for the effective implementation of Human Resource Management systems. Due to the fact that the practices constituting Human Resource Management systems vary across organizations, reflecting different strategic approaches, and that the main focus of this thesis concerns the Human Resource Management process, rather than Human Resource Management content (the various practices and their specific goals), this thesis was structured around the on every generally implemented Human Resource Management practice, likely to allow for the comparison of individual responses from different corporations. The chosen practice also had to be significant both in terms of playing an important role in the overall Human Resource Management system, in order to elicit an appropriate depth of respondents’ reflections.

1.7. Limitations of the Study
Working shift of the employees, financial constraints, the respondents not returning the questionnaire in time and also some respondents filled the questionnaires improperly.

1.8. Organization of the Paper
The paper is structured in five chapters.

The first chapter deals with an introduction to the reader about the thesis work, which composes the general background of the study, statement of the problem, the objective of the study, research questions, significance of the study scope of the study, and limitations of the study.
The second chapter revises comprehensive theoretical and empirical literatures related to this study. The third chapter presents the methodology such as research design, population and sampling techniques, types of data, and tools/instruments of data collection, procedures of data collection, and methods of data analysis applied.

Chapter four clarifies about the analysis and interpretation of the data collected.

Finally, the summary findings, the conclusions, the suggested implications and recommendations discussed in chapter five.
CHAPTER TWO

RELATED LITERATURE REVIEW

2.1. Introduction
This chapter reviews previous works done by researchers in the field of HRM. What is known as literature review in research does not only provide knowledge on what has been done on an area of study but the strengths and weaknesses that could propel a meaningful and insightful study. This chapter casts more light on the concepts of HRM, various „bundles” of HR practices, contentions surrounding theories, models and previous findings. It ends with the HR practices that have been found to impact greatly on organizational performance of especially the service industry.

2.2. Theoretical Literature
2.2.1. The Concept of Human Resource Management (HRM)
The concept of Human Resource Management was first defined by Bakke (1966) who said that the general type of activity in any function of management is to use resources effectively for an organizational objective. The function which is related to the understanding, maintenance, development, effective employment and integration of the potential in the resource of „people” I shall call simply the human resources function. However, HRM emerged fully fledged later when the Michigan „matching model” (Fombrun et al, 1984) and what (Boxall 1992) calls the Harvard framework developed by Beer et al (1984) made statements on the HRM concept revealing the need to take HRM beyond just selection and compensation to broader issues that demand more comprehensive and more strategic perspective to an organization’s human resources. The matching model of HRM held that HR systems and the organization structure should be managed in a way that is congruent with organizational strategy and further explained that there is a human resource cycle that consists of four generic processes or functions that are performed in all organizations; selection, appraisal, rewards and development. The Harvard framework is based on their belief the problems of historical personnel can only be solved when general managers develop a viewpoint of how they wish to see employees involved in and developed by the enterprise and of what HRM policies and practices may achieve those goals. Without either a central philosophy or a strategic vision which can be provided only by general managers- HRM is likely to remain a set of independent activities, each guided by its own practice tradition. This called for the need to have a long-term perspective in managing people and
consideration of people as potential assets rather than merely a variable cost. As Armstrong (1987) puts it, HRM is regarded by some personnel managers as just a set of initials or old wine in new bottles. It could indeed be no more and no less than another name for personnel management, but as usually perceived, at least it has the virtue of emphasizing the virtue of treating people as a key resource, the management of which is the direct concern of top management as part of the strategic planning processes of the enterprise. Although there is nothing new in the idea, insufficient attention has been paid to it in many organizations”.

2.2.2. Theoretical Issues on Human Resource Management and Performance
Theories on people management have been sifted, going through so many phases. From the perspectives of Taylorism, bureaucratic theory, theory X and theory Y till the breakthrough with Elton Mayo’s Hawthorne experiment which began another phase of people management known as human relations. The era of personnel management surfaced which has metamorphosed into the present day Human Resource Management. Since then, HRM has captured the interest of many studies churning out loads and loads of findings that sometimes generate debates and disagreements.

2.2.2.1 Definition of Human Resource Management
Though the term HRM is widespread; the definition of the term has remained varied and elusive. Story (1995) therefore defines HRM as: “A distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural and personnel technique” The term Human Resource Management (HRM) is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations. To Boxall et al, (2007), it is the management of work and people towards desired ends. Som, (2008) described HRM as carefully designed combinations of such practices geared towards improving organizational effectiveness and hence better performance outcomes.

2.2.2.2 Theories and Perspectives of Human Resource Management
There are several theories underpinning the practice of HRM. Two of these theories; Resource-based View and Ability and Motivation and Opportunity theories appear to be the most popular theoretical frameworks applied in the studies that link HRM and organizational performance. The Resource-Based View (RBV) theory which blends concepts from organizational economics (Penrose, 1959) and strategic management (Barney, 1991) has it
that HRM delivers added value through the strategic development of the organization’s rare, valuable, imperfect to imitate and hard to substitute human resources. The RBV establishes that competitive advantage no more lies in natural resources, technology or economies of scale, since these are easy to imitate but rather competitive advantage is dependent on the valuable, rare and costly and hard-to-imitate resources that reside with the human resources of an organization. HRM’s role is to ensure that the organization’s human resources meet those criteria. The Ability, Motivation and Opportunity (AMO) theory also argues that the formula; Performance = Ability + Motivation + Opportunity to participate provides the basis for developing HR systems that attend to employees’ interests, namely their skill requirements, motivations and the quality of their job. (Appelbaum et al, 2000; Bailey et al, 2001; Boxall and Purcell, 2003) HRM practices therefore impact on individual performance leading to overall organizational performance if they encourage discretionary efforts, develop skills and provide with the opportunity to perform. Adding to the array of concepts and theories is the term Human Capital which was originated by Schultz (1961). Human capital is the stock of competencies, knowledge, experience, social and personal attributes including creativity and innovation, embodied in the ability to perform work so as to produce economic value. Dess&Picken, (1999) assert human capital is generally understood to consist of the individual’s capabilities, knowledge, skills and experience of the company’s employees and managers, as they are relevant to the task at hand, as well as the capacity to add to this reservoir of knowledge, skills and experience through individual learning. This theory is concerned with how people contribute their knowledge, skills and abilities to enhancing organizational capability and the significance of that contribution. This is rather broader in scope than human resources. HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals (Schuler & Jackson, 1987; Schuler & MacMillan, 1984; Wright & Snell, 1991). It was observed that majority of studies define HRM in terms of human resource practices or systems or bundles of practices. Divergent views exist on the nature of HRM. Several studies define HRM in terms of individual practices (Batt, 2002) or systems or bundles of practices (Capelli and Neumark, 2001). There appears to be no one fixed list of generally applicable HR practices or systems of practices that define human resource management. The question of how HRM impacts on organizational performance has ignited three perspectives. The universalistic perspective (Boxall and Purcell, 2008) projects a bundle of high performance „best practices” that should
be adopted by organizations to yield organizational performance. This implies that business strategies and HRM policies are mutually independent in determining organizational performance (Katou and Budwar, 2007). The contingency perspective proposes that in order to be effective, an organization’s HR policies must be consistent with other aspects of the organization. Rather than adopting best practices, a fit must exist between HRM and business strategy. (Schuler and Jackson, 1987; Dany et al, 2008) This is also described as “vertical fit”. Boxall and Purcell (2003) argue that both perspectives; best practice and best fit might be right in each in their own way. However, the actual design of HR practice depends to some extent on the unique organizational context. The third which takes the contingency perspective a step further is the configurationally perspective (Ulrich and Brockbank, 2005). This has a holistic approach that emphasizes the importance of the pattern of HR practices and is concerned with how this pattern of independent variables is related to the dependent variable of organizational performance. Configuration has been defined by Huczynski and Buchanan (2007) as “the structures, processes, relationships and boundaries through which an organization operates”. All perspectives are relevant in exploring the linkage between HRM and performance. Delery and Doty (1996) examined the relationship between HR practices and profitability in a sample of banks in the US. They found that, in general, HR practices were positively related to profitability, in testing universalistic, contingency and configurationally approaches to HRM. Human resource management as a concept has frequently been described with two distinct forms; soft and hard. The soft model whilst stressing the importance of integrating HR policies with business objectives; emphasizes on treating employees as valued assets and a source of competitive advantage through their commitment, adaptability and high quality skill and performance. Employees are proactive than passive inputs into productive processes, capable of development, worthy of trust and collaboration which is achieved through participation (Legge, 1995). This model in contrast to the hard model places emphasis on “human” and is associated with the human relations school of Herberg and McGregor (Storey, 1987). The hard HRM model focuses on the qualitative, calculative and business-strategic aspects of managing the “headcount” has been termed human asset accounting (Storey, 1987). The hard HRM approach has some affinity with scientific management as people are reduced to passive objects that are not cherished as a whole but assessed on whether they possess the skills or attributes the organization requires Legge, 1995; Vaughan, 1994; Storey, 1987; Drucker et al, 1996; Keenoy, 1990).
2.3. Empirical Literature

2.3.1. Human Resource Management Practices

Many researchers over the period have identified different HRM practices by different names. Researchers variously refer to certain sets of HRM practices as “best practices” or “high performance” (Huselid, 1995) “sophisticated” (Golhar and Deshpande, 1997; Hornsby and Kuratko, 1990; Goss et al., 1994; Wagner, 1998) or as “professional” (Gnan and Songini, 2003; Matlay, 1999). Pfeffer (1994; 1998) argued the most appropriate term is “Best HRM practices”. However, according to Chandler and McEvoy (2000) one of the lingering questions in HRM research is whether or not there exists a single set of policies or practices that represents a universally superior approach to managing people. Theories on best practices suggest that universally, certain HRM practices either separately or in combination yield improved organizational performance. A number of lists of “best practices” have been produced; Guest (1999) drew up the following list.

- Selection and the careful use of selection tests to identify those with potential to make contribution.
- Training, and in particular a recognition that training is an ongoing activity.
- Job design to ensure flexibility, commitment and motivation, including steps to ensure that employees have the responsibility and autonomy fully to use their knowledge and skills.
- Communication to ensure that a two-way process keeps everyone fully informed.
- Employee share ownership programs to increase employees’ awareness of the implications of their actions on the financial performance of the firm. Redman and Mathews (1998) in a study also identified an HRM bundle of key practices that support services organizations;
  - Careful recruitment and selection, for example, “total quality recruitment”, “zero defects recruitment”, “right first time recruitment”.
  - Training and learning
  - Extensive remuneration systems for example bonuses for staff willing to be multi skilled.
  - Team working and flexible job design
  - Employee involvement
  - Performance appraisal with links to contingent reward systems. The framework of HRM practices which was developed by Saxena and Tiwari (2009) through
examining the HRM practices of leading IT companies like TATA, Infosys and Wipro in India identified culture building, career development, compensation and benefits, training and development, employer-employee relations and recognition through rewards as important HRM practices. Delery and Doty (1996) identified seven strategic HR practices that are related to overall organizational performance;

1. The use of internal career ladders
2. Formal training systems
3. Results-oriented appraisal
4. Performance-based compensation
5. Employment security
6. Employee voice
7. Broadly defined jobs. However; the best known which was produced by Pfeffer (1998a) named the following practices:

- Selective hiring
- Employment security
- Self-managed teams
- High compensation contingent on performance
- Extensive training
- Reduction in status differences.

Motivation enhancing practices are critical because even if it is assumed that employees have the skill and opportunity, it is essential that they have the motivation in order to take up these opportunities. Finally, involvement enhancing practices are concerned with designing online work systems and offline involvement activities so that employees have the chance to become involved and participate in decision making. There is a strong indication that the key to activating what is called the „People Performance link lies not only in well-crafted „bundles of HR practices, but in their conjunction with a powerful and cohering organizational vision and corporate leadership together with front-line leadership’s action and use of discretionary power. It has been proven that the presence of strong recruitment
and selection practices, promotional opportunities, grievance resolution mechanisms, flexible benefit plans, employee responsibility, autonomy and team work were found to relate positively to organizational commitment while compensation cuts were negatively associated with organizational commitment (Caldwell, Chatman & O’Reilly, 1990; Fiorito, Bozeman, Young & Meurs, 2007; Gould-Williams & Davies, 2005; Heshizer, 1994). Also promoting organizational commitment is satisfaction with and perceived adequacy of career development, training opportunities and performance appraisal (Kuvaas, 2008). Research into the relationship between HRM and work engagement though scanty shows that job characteristics such as autonomy, task identity, skill variety, task significance, the job and feedback; job resources (feedback, social support and supervisory coaching); and organizational resources like autonomy, training and technology have a positive impact on work engagement (Salanova, Agut and Peiro, 2005; Schaufeli & Bakker, 2004; Saks and Rotman, 2006).

2.3.1.1 Recruitment and Selection

Recruitment which is the process of generating a pool of capable people to apply for employment to an organization and selection which is the process by which managers and others use specific instruments to choose from a pool of applicants a person or persons more likely to succeed in the job(s) given management goals and legal requirements” Bratton and Gold (2007, p 239). Recruitment and selection can play a pivotal role in shaping an organization’s effectiveness and performance, if organizations are able to acquire workers who already possess relevant knowledge, skills and aptitudes and are also able to make an accurate prediction regarding their future abilities. Performance improvement is not only a result of well-functioning system but also depends on effective human resource strategies that succeed in recruiting and maintaining a committed and motivated workforce (Al-Ahmadi, 2009). Recruitment and selection has become ever more important as organizations increasingly regard their workforce as a source of competitive advantage. It is often claimed that selection of workers occurs not just to replace departing employees or add to the number but rather aims to put in place workers who can perform at a higher level and demonstrate commitment (Ballantyne, 2009). This function of HR is presented as a planned rational activity made up of certain sequentially-linked phases within a process of employee resourcing, which itself may be located within a wider HR management strategy. The
process of recruiting and selecting may come in four stages: defining requirement, planning recruitment campaign, attracting candidates and selecting candidates (Armstrong, 2010).

2.3.1.2 Training and Development

A formal definition of training and development is any attempt to improve current or future employee by increasing an employee’s ability to perform through learning, usually by changing the employee’s attitude or increasing his or her skills and knowledge. While training is seen to be the process of imparting specific skills, development is said to be the learning opportunities designed to help employees grow. According to (Armstrong 2001:543) training is the formal and systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experience. Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (Stone R J. Human Resource Management, 2002). For training to have a better effect on performance, its design and delivery should be well executed. Training remains a vital to enhancing employee performance. The organizational commitment or “the relative strength of an individual’s identification and involvement in a particular organization” (Pool & Pool, 2007, p. 353) depends on effective training and development programs. According to these authors, organizations demonstrating keen insight make provisions for satisfying the training needs of their current workforce. Cheng and Ho (2001) indicate that adequate training produces marked improvements in employee communication and proficiency of performances as well as extending retention time. Moreover, when programs target communication skills with co-workers, there are significant increases in profit as well as a greater number of reported positive working relationships that are formed. Also, training and education have been shown to have a significant positive effect on job involvement, job satisfaction, and organizational commitment (Karia & Asaari, 2006). Moreover, poor performance reviews due to inadequate job training can produce employee dissatisfaction and conflict.

2.3.1.3 Compensation

Compensation processes are based on compensation philosophies and strategies contained in the form of policies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation. This constitutes measuring job values, designing and maintaining pay structure, paying for performance, competence and skill and providing employee benefit.
However, compensation management is not just about money, it is also concerned with that non-financial compensation which provides intrinsic or extrinsic motivation (Bob, 2011). Compensation has a motivational effect and therefore implies that having a compensation structure in which the employees who perform better are paid more than the average performing employees is vital to enhancing organizational performance (Hewitt, 2009). The growing recognition and consensus that compensation promotes productivity is consistent with the early work of Peter Drucker (1956) that states “happy workers are productive workers.”

2.3.1.4 Appraisal/Performance Management

Performance appraisal of employees is the systematic evaluation of employees’ performance and potential for development during a certain period of time by supervisors or others who are familiar with their performance. It is one of the oldest and widely used management practices. Performance appraisal is an indispensable tool for an organization because the information it provides is highly useful in decision making regarding issues such as promotion, merit increases transfer, discharge, training and development. Not only is performance appraisal useful for the above issues, it may also increase employee’s commitment and satisfaction Wiese and Buckley, (1998). However, there has been a great realization that it is more important to focus on defining, planning and managing performance than merely appraising performance Pareek and Rao, (2006). The increased competitive nature of the economy and rapid changes in the external environment has forced many organizations to shift from reactive performance appraisals to proactive performance management to boost productivity and improve organizational performance (Nayab, 2011). Prasad (2005) defines performance management as the process of planning performance, appraising performance, giving its feedback, and counseling an employee or teams to improve performance. As Armstrong (2006) put it, performance management is a systematic process for improving organizational performance by developing the performance of individual and teams. Performance management is one of the most important developments in the field of HRM probably propelled into visibility in the early 1980’s as a result of the growing importance of total quality management.

2.3.1.5 Employment Security

Studies by Delery and Doty (1996); Bjookman and Fey (2000) have emphasized the significant correlation between employment security and organizational performance.
According to Pfeffer (1998) benefits of employment security, aside workers’ free contribution of knowledge and their efforts to enhance productivity, it also encourages people to take a longer-term perspective on their jobs and organizational performance. In a study of the financial performance of 192 banks, John Delery and Harold Doty observed significant relationship between employment security and the bank’s return on assets, an important measure of financial performance. Employment security maintained over time helps to build trust between people and their employer, which can lead to more cooperation, forbearance in pressing for wage increases and better spirit in the organization. The idea of employment security does not mean that the organization retains people who do not perform or work effectively with others; of course performance does matter. Employment security is fundamental to the implementation of most other high-performance management practices such as selective hiring, extensive training, information sharing and delegation. Companies are unlikely to invest the resources in the careful screening and training of new people if those people are not expected to be with the firm long enough for it to recoup these investments. Similarly, delegation of operating authority and the sharing of sensitive performance and strategic information requires trust and that trust is much more likely to emerge in a system of mutual, long-term commitments.

2.3.1.6 Employee Voice (Involvement and Participation)

The direct participation of staff to help an organization fulfill its mission and meet its objectives by applying their own ideas, expertise and efforts towards solving problems and making decisions is termed as employee involvement. Research has shown that organizations that tap the strength of their people will be stronger and more aggressive than those that cannot. Firms will never realize the full potential of employees if they regard people as automatons or mere cogs in a wheel. In the long run, such companies’ inefficiencies attract competition, and unless the management philosophy changes, they will disappear (Apostolou, 2000). So many studies have shown how much of an impact employee participation can have on the performance and wellbeing of an employee, team or the entire organization: improved organizational decision-making capability, and reduced costs through elimination of waste and reduced product cycle times (Apostolou, 2000); improved attitude regarding work (Leana, Ahlbrnadt, & Murrel, 1992); empowerment, job satisfaction, creativity, commitment and motivation as well as intent to stay (Apostolou, 2000; Light, 2004); increased employee productivity across industries (Jones, Kalmi, &Kauhanen, 2010)
2.3.1.7 Information Sharing and Knowledge Management

As Pfeffer (1998) asserts, information sharing is an essential component of high performance work systems for two reasons; first, the sharing of information on things such as financial performance, strategy and operational measures conveys to the organization’s people that they are trusted and the second is that even motivated and trained people cannot contribute to enhancing organizational performance if they do not have information on important dimensions of performance and in addition training on how to use and interpret that information. An enterprise that makes real a shared culture that is in actual fact unbreakable through information flow will be a competitive one. When the sharing of information is a vital component of the entire enterprise’s culture, this can surely impact the effectiveness of the enterprise. When people work together, share ideas, and sometimes wrangle, they build on one another’s ideas for the benefit of the enterprise. The lack of communication and information sharing disrupts works and brings about enterprise mediocrity. In a study by Brian Hackett (2000) titled, “Beyond Knowledge Management: New Ways to Work and Learn,” knowledge management is defined as,” An integrated, systematic approach to identifying, managing, and sharing all of an enterprise’s information assets, including databases, documents, policies, and procedures, as well as previously unarticulated expertise and experience held by individual workers.” In essence, it is gathering all the information and resources of a corporation and making them available to the individual employee. In turn, the employee uses these resources to create new innovative processes and thus, gives back to the firm.

2.3.1.8 Job design

Job design refers to work arrangement or rearrangement aimed at reducing or overcoming job dissatisfaction and employee alienation arising from repetitive and mechanistic tasks. Through job design, organizations try to raise productivity levels by offering nonmonetary rewards such as greater satisfaction from a sense of personal achievement in meeting the increases challenge and responsibility of one’s work. Job enlargement, job enrichment, job engineering, job rotation and job simplification are various techniques used in a job design exercise. Opatha (2002) “Job design is the functions of arranging task, duties and responsibilities in to an organizational unit of work”. The process of job design has been defined as, “...specification of the contents, methods, and relationships of jobs in order to satisfy technological and organizational requirements as well as the social and personal
requirements of the job holder.” (Buchanan, 1979). It can also be the process of putting together various elements to form a job, bearing in mind organizational and individual worker requirements, as well as considerations of health, safety, and ergonomics. In this rapidly changing business environment, it is has become even more critical for jobs design to meet the requirement of challenging work. Changing technology, advanced communication, and changing organizational structures have all impacted job design. To be more responsive to the rapid pace of change, jobs must have some degree of built-in flexibility. This flexibility is achieved through careful attention to job design. Job simplification standardizes work procedures and employs people in clearly defined and highly specialized tasks. Job rotation and job enlargement were designed to take advantage of specialization of labor from the job engineering approach (Luthans, 2005). Job rotation allows an employee to work in different departments or jobs in an organization to gain better insight in to operations. Job enlargement can be used to increase motivation by giving employees more and varied task. Job enrichment is the technique which entails the inclusion of greater variety of work content, requiring a higher level of knowledge and skill, giving workers, autonomy and responsibility in terms of planning, directing, and controlling their own performance, and providing the opportunity for personal growth and meaningful work experience (Garg & Rastogi, 2006). A wealth of studies shows that there exists a correlation between job design and performance Al-Ahmadi (2009) indicated that the nature of job itself was found positively correlated with performance, which indicates that satisfaction with amount of variety and challenge in one’s job actually influence performance. Job design gives a clear direction to how tasks are performed and this leads a positive change in job performance and analysis as a result of which the organizational productivity is enhanced though efficient work performance.

2.3.1.9 Career Planning

Career planning is the deliberate process through which someone becomes aware of his or her personal skills, interests, knowledge, motivations, and other characteristics; acquires information about opportunities and choices; identifies career-related goals; and establishes action plans to attain specific goals (Dessler, 2008). According to Edgar 31 Schein career planning (Manolescu, 2003) is a continuous process of discovery in which an individual slow develops his own occupational concept as a result of skills or abilities, needs, motivations and aspirations of his own value system. In HRM, career planning seeks to identify to identify needs, aspirations and opportunities for individuals” career and the
implementation of developing human resources programs to support that career. A well-planned career development system along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance (Milkovich & Boudreau, 1998). In a broader sense, career management which is defined by Mayo (1991) as the design and implementation of organizational processes that enable the careers to be planned and managed in a way that optimizes both the needs of the organization and the preferences and capabilities of individuals has become one of the most important elements in HRM. Byars and Rue’s (2000) explanation of career management is that, it is a joint responsibility between individuals, organization, and employees’ immediate managers. Individuals’ responsibility, which covers two main areas: preparing their own career plans and putting the plan into practice are termed as career planning and career strategies respectively. The organizations and the immediate managers’ responsibilities, if combined together would generate another dimension which is best named as organizational career management.

2.3.1.10. Organizational Performance

Researchers have different opinions of what performance is. Organizational performance continues to be a contentious issue in the management research circles. Javier (2002) equates performance to the famous 3Es; economy, efficiency and effectiveness of a certain programme of activity. According to Richard et al (2009) organizational performance encompasses three specific areas of firm outcomes; financial performance (profits, return on assets, return on investment, etc.), product market performance (sales, market share, etc.), and shareholder return (total shareholder return, economic value added, etc.). Organizational performance is the organization’s ability to attain its goals by using resources in an effective and efficient manner Daft (2000). We can put organizational performance as the actual output or results of an organization as measured against its intended outputs, that is; goals and objectives. Performance should not be confused with productivity; according to Ricardo (2001), productivity is a ratio depicting the volume of work completed in a given amount of time. Performance is a broader indicator that could include productivity as well as quality, consistency, effectiveness, efficiency and other factors. A study by Chien (2004) found that there were five major factors determining organizational performance, namely:

1. Leadership styles and environment

2. Job design
3. Organizational culture

4. Model of motive and

5. Human resource policies

The concept of performance borders on both what has been achieved and how it has been achieved. Organizational performance can be measured in a number of different ways.

The most obvious way to measure what has been achieved and the approach used in many studies, is by reference to key performance indicators (KPIs) which are usually to do with financial results (profitability) or productivity. Measuring the „how“ is more difficult. It has to rely extensively on qualitative assessments of organizational capability or effectiveness.

2.4. Conceptual Frame Work

The conceptual framework shows the association of HRM Practices & Organizational performance. In this study Organizational achievement is dependent variable while the components of HRM Practices & Organizational Performance are the independent variable.
### Independent Variable (IV)

**HRM Practices & Organizational Performance**

<table>
<thead>
<tr>
<th>Recruitment and Selection</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Generating a pool of capable applicants and choosing more likely to succeed in the job(s) upon legal requirements.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training and Development</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Increasing an employee’s ability through learning (attitude, skills and knowledge).</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Compensation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reward, Payment, etc.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appraisal/Performance Management</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>o Evaluate, Rate/Rank, Feedback, Encourage, Empower, etc.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Voice (Involvement and Participation)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Improved organizational decision-making capability of employees.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job design</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>o Work arrangement at reducing or overcoming job dissatisfaction of employees.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Career Planning</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Identify needs, aspirations and opportunities of Individuals.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leadership styles and environment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Autocratic, Democratic, Transformational &amp; Laissez-faire.</td>
<td></td>
</tr>
</tbody>
</table>

### Dependent Variable (DV)

**Organizational Achievement**

---

**Fig 2.1 Conceptual framework of HRM practices and organizational performance**
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY
This chapter presents details of the research design and methodology which were used in the research. It includes the research design, sample size and sampling technique, data source and collection method, measuring instrument and method of data analysis. Finally, the validity and reliability tests are presented.

3.1. Research Design
This study is a survey method study that uses descriptive statistics in which the data will collect using questionnaire administering to the employees. Descriptive research helps to see and explain the phenomenon as it is and get the whole picture with how the HRM practices are impacting employees’ satisfaction.

Survey research is a research method involving the use of standardized questionnaires or interviews to collect data about people and their preferences, thoughts, and behaviors in a systematic manner. That’s why this Descriptive research design method is best suited for studies that have individual people as the unit of analysis. Although other units of analysis, such as groups, organizations or group of organizations, such as buyers and sellers), are also studied using surveys, such studies often use a specific person from each unit as a “key informant” or a “proxy” for that unit, and such surveys may be subject to respondent bias if the informant chosen does not have adequate knowledge or has a biased opinion about the phenomenon of interest.

In view of the above this research is to be conducted to assess the HRM practices & Challenges on employees of Harmony Hotel. This is based purely on the data collected from the employees through the questionnaires.

3.2. Population of the Study
The population taken for this study are Harmony Hotel line staff & line management employees with135 Females as well as 159 Males totally 294 as of 2018/2019. Harmony Hotel divides all its staff based on the job fields in to thirteen departments with (F.O, Marketing, Finance, H/K, Laundry, HRM, Procurement Supply, FnB, Kitchen, IT, Spa, Engineering, Safety & Security). A proportionate sample sizes were selected from all the job fields.
3.3. Sample Size & Sampling Method
Based on their number proportionate samples have drawn from all of the populations in Purposive sampling technique for the total sample size of 170. The questionnaires were self-administrated and where collected personally by the researcher. The total sample consisted of employees representing different departments and responsibilities. The sample size is determined using the following formula developed by Yamane (1967:886).

\[ n = \frac{\text{N}}{1 + \text{N} \times (e)^2} \]

Where \( n \) = Sample size

\( \text{N} \) = Total population

\( e \) = Level of error percentage (5%)


\[ \text{N} = \frac{294}{1 + 294 \times (0.05)^2} \]

\[ = \frac{294}{1 + 294 \times 0.0025} \]

\[ = \frac{294}{1 + 0.735} \]

\[ = \frac{294}{1.735} \]

\[ = 169.45 \sim 170 \]

3.4. Data Collection Tools
Analysis and Presentation in the procedure of collecting concerned data, Questionnaire, Observation & Document Investigation have played vital roles as the main method of data collection. Primary data was gathered to study the HR practices & Challenges in the case of Harmony Hotel. For the purpose of this study, a closed ended questionnaire consisting of 34 items was made to collect data. It was organized into three sections and was used to collect primary data from employees.

Section one consisted of 7 items regarding the Demographic Information of respondents such as Age, Experience, Gender, Title, Education, Marital status & Salary.

Section two consists 15 items which were designed to test employees’ perceptions of HR Practices in Harmony Hotel.

Section three consists of 12 items focused on the challenges seen towards Harmony Hotel.

These HR Practices & Challenges measured using five point Likert scale.
The collected data is processed using the Statistical Package for the Social Sciences (SPSS) version 20 for the purpose of analysis and presentation of the findings. The data is presented using descriptive statistics with the help of Percentage (%) & frequency tables to provide information.

3.5. Data Analysis Method
For the analysis of the data both quantitative & Qualitative methods have applied. Here for the data gathered, it has calculated & determined in numerical, then after it has identified via words (Qualitatively). Hence its detail interpretations have done at chapter 4 which is calculated by using the SPSS version.

3.6. Validity

Validity refers to whether an instrument actually measures what it is supposed to measure, given the context in which it is applied (Babbie and Mouton, 1998; Bless and HigsonSmith, 1995). Validity can also be thought of as utility. Furthermore, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested.

In order to determine the validity, the data collection instrument was tested using the HRM professionals at Harmony Hotel as a pilot test from the feedback in formulating the questions and also the wording to see how many will understand it and interpret it as intended.

3.7. Reliability

Reliability refers to the extent to which the data collection techniques or analysis procedures will yield consistent findings (Easter by-Smith et al. 2008). According to Hair, et al., (2006), if $\alpha$ is greater than 0.7, it means that it has high reliability and if $\alpha$ is smaller than 0.3, then it implies that there is low reliability. In addition, Bryma and Bell (2003) confirm the Cronbach’s Alpha result of 0.7 and above implies acceptable level of internal reliability. The reliability of the questionnaires is tested using SPSS v.20 Cronbach's Alpha and was found to be 0.732 for employee satisfaction questionnaire and the result is as follows that the questionnaires administered are reliable to be used.
Table 3.1: Reliability Statistics for the HR Practices & Investigation Challenges based the data collected

<table>
<thead>
<tr>
<th>Items</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment and Selection based questionnaires</td>
<td>4</td>
<td>0.720</td>
</tr>
<tr>
<td>Compensation &amp; Employees Reward System based questionnaires.</td>
<td>3</td>
<td>0.718</td>
</tr>
<tr>
<td>Training &amp; development based questionnaires.</td>
<td>4</td>
<td>0.769</td>
</tr>
<tr>
<td>Performance Appraisal based questionnaires</td>
<td>4</td>
<td>0.772</td>
</tr>
<tr>
<td>Investigation of HR Challenges in Harmony Hotel</td>
<td>12</td>
<td>0.832</td>
</tr>
</tbody>
</table>

3.8. Ethical Consideration
The researcher reflects on the ethical issues in every aspect of the activity doing this study. While revising the literature which is done previously by different scholars the researcher tries to acknowledge each of the literatures source. Furthermore, when distributing the questionnaires, respondents are assured that the information they provide is confidential and used for academic purpose only. Moreover, a statement conforms that the prohibition of including any identity details or personal references in the questionnaire. This was to avoid any biased response or unauthentic data provided by respondents and to make participants safer in filling the questionnaire. As the result the gathered data was kept confidential and would not be used for any personal interest and also the whole process of the study controlled to be within acceptable professional ethics.
This chapter enlightens about the results and interpretation of the primary data which is gathered through structured questionnaire. The first portion presents the preliminary analysis, the process through which the result obtained and the background information of the respondent. Finally, the statistical method of analysis, which applied to test the descriptive analysis through SPSS version 20 discussed.

4.1 Analysis Approach
Prior to analysis, Cronbach’s alpha was calculated for the employee satisfaction scales to assess reliability. The alpha coefficient of 0.732 found and it indicates extensive reliability. According to the guidelines provided by Robinson et. al (1991), where “0.80 or better = Exemplary, 0.70- 0.79 =Extensive, 0.60- 0.69 = Moderate, <0.60 =Minimal”. Furthermore, all the measurement alpha coefficients also have shown extensive reliability with the slight difference on their score.

The chapter presents an analysis of the information designed to respond to the research objectives as outlined in the study. There are two subsections presented in the questionnaire. The first is a general section, which addresses the respondents’ demographic characteristics. The other subsections address specific research objectives and they include the general information, the extent to assess the HR Practices & HR challenges occurrences in Harmony Hotel.

To facilitate simplicity in conducting the empirical analysis, the results of the descriptive analysis is presented, which is utilized, is based on frequency & percentage tables, pie charts and graph to provide information on the demographic variables.

Thirty-Four questionnaires were distributed to the respondents (Sample sizes) and out of these respondents, 160 respondents have returned that accounts 94.12% response rate. Here the 10 females couldn’t return with different reasons. Accordingly, the analysis of this study is based on the number of questionnaires collected.
4.2 Descriptive Statistics

Descriptive statistics is used to determine the main features of the collected data in quantitative terms. Tables, frequency distributions and percentages to provide a condensed picture of the data offered the descriptive statistical results.

Table 4.1. Demographic Information of Respondents

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent (%)</th>
<th>Cumulative Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>54</td>
<td>33.8</td>
<td>33.8</td>
</tr>
<tr>
<td>Male</td>
<td>106</td>
<td>66.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>Age (In Years)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19-30</td>
<td>111</td>
<td>69.4</td>
<td>69.4</td>
</tr>
<tr>
<td>31-40</td>
<td>45</td>
<td>28.1</td>
<td>97.5</td>
</tr>
<tr>
<td>41-50</td>
<td>4</td>
<td>2.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>103</td>
<td>64.4</td>
<td>64.4</td>
</tr>
<tr>
<td>Married</td>
<td>56</td>
<td>35.0</td>
<td>99.4</td>
</tr>
<tr>
<td>Divorced</td>
<td>1</td>
<td>0.6</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>Level of Education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MA</td>
<td>3</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>1st Degree</td>
<td>36</td>
<td>22.5</td>
<td>24.4</td>
</tr>
<tr>
<td>Diploma</td>
<td>77</td>
<td>48.1</td>
<td>72.5</td>
</tr>
<tr>
<td>Certificate</td>
<td>44</td>
<td>27.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Work Experience (In Years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>&lt;2</td>
<td>74</td>
<td>46.3</td>
<td>46.3</td>
</tr>
<tr>
<td>2-4</td>
<td>35</td>
<td>21.9</td>
<td>68.1</td>
</tr>
<tr>
<td>4 1/12-6</td>
<td>23</td>
<td>14.4</td>
<td>82.5</td>
</tr>
<tr>
<td>&gt;6</td>
<td>28</td>
<td>17.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Salary (In ETB)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000-2,000</td>
<td>109</td>
<td>68.1</td>
</tr>
<tr>
<td>2,001-3,000</td>
<td>23</td>
<td>14.4</td>
</tr>
<tr>
<td>3,001-5000</td>
<td>4</td>
<td>2.5</td>
</tr>
<tr>
<td>5,001-10,000</td>
<td>10</td>
<td>6.3</td>
</tr>
<tr>
<td>&gt;10,000</td>
<td>14</td>
<td>8.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.1 presents the demographic information of respondents’ data participated in the study. Gender, age, marital status, educational level, work experience & salary of the sample respondents are exhibited in the table. The survey showed that there were more male employees as compared to female employees in the sampled towards Harmony Hotel. Male respondents represented 66.3%; on the other hand, 33.8% were females. The most of the sampled respondent’s age group ranges among 19 to 30 years (i.e.69.4%) of the respondents which illustrates that the larger number of Harmon Hotel employees are in most productive age group. The remaining respondents are in between 31-40 (i.e.28.1%) years old and in between 41-50 years old (i.e.2.5%). Besides the majority of the sampled respondents are single with the percent of 64.4 & 35.0 percent are married, whereas the remaining 0.6 percent are divorced.

With regard to educational level of the respondents; Certificate completed were 27.5%, Diploma graduates represented 48.1% of the total respondents, and 1st degree graduates represented 22.5%, finally, 1.9% of the respondents were MA graduates. It can be said from the survey that, most of sampled employees of Harmony Hotel Were Diploma graduates. In addition to this work experiences of respondents were; 46.3 % worked below 2years, 21.9% worked from 2-4 years, 4.4% worked from 4 1/12 -6years & the remaining 17.5% worked more than 6years.
It is known that at here in Harmony Hotel; there are two wages (means of employees’ income permanently). These are 10% Service charge & Salary. So, when the salary of the respondents assessed, 68.1% were paid 1000-2000 birr, 14.4% were paid 2001 -3000 birr, 2.5% were paid 3001 -5000 birr & 6.3% were paid 5001-10,000 birr & the remaining 8.8% were paid more than 10,000 birr. Meanwhile of this most of the respondents were paid salary of 1,000 birr to 2,000 birr.

Table 4.2 I. Human Resource Practice of Respondents

<table>
<thead>
<tr>
<th>No</th>
<th>I. Recruitment and Selection based questionnaires</th>
<th>Measureme nt</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Applicants are fully informed about the qualifications required to perform the job before being hired.</td>
<td>Frequency</td>
<td>97</td>
<td>49</td>
<td>14</td>
<td>-</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>60.6</td>
<td>30.6</td>
<td>8.8</td>
<td>-</td>
<td>-</td>
<td>100.0</td>
</tr>
<tr>
<td>2</td>
<td>In this organization, line managers and HR managers participate in the selection process.</td>
<td>Frequency</td>
<td>130</td>
<td>28</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>81.3</td>
<td>17.5</td>
<td>0.6</td>
<td>0.6</td>
<td>-</td>
<td>100.0</td>
</tr>
<tr>
<td>3</td>
<td>Selection system selects those having the desired knowledge, skills and attitude.</td>
<td>Frequency</td>
<td>41</td>
<td>108</td>
<td>10</td>
<td>1</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>25.6</td>
<td>67.5</td>
<td>6.3</td>
<td>0.6</td>
<td>-</td>
<td>100.0</td>
</tr>
<tr>
<td>4</td>
<td>Our organization prefers an internal employee whenever a vacancy opens up.</td>
<td>Frequency</td>
<td>54</td>
<td>100</td>
<td>5</td>
<td>-</td>
<td>1</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>33.8</td>
<td>62.5</td>
<td>3.1</td>
<td>-</td>
<td>0.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Up on table 4.2I, Majority of the respondents (i.e.91.2%) agreed that applicants are fully informed about the qualifications required to perform the job before being hired. Majority of the respondents (i.e.98.8%) agreed that in harmony Hotel, line managers or department heads and HR managers participate in the selection process of candidates. Additionally, Majority of the respondents (i.e. 93.1%) agreed that selection system of candidates is focused on those having the desired knowledge, skills and attitude. Having this in mind, Majority of the
respondents (96.3%) also agreed that the Harmony Hotel administration body prefers an internal employee whenever a vacancy opens up.

Table 4.2 II. Human Resource Practice of Respondents’

<table>
<thead>
<tr>
<th>No</th>
<th>II. Compensation &amp; Employees Reward System based questionnaires.</th>
<th>Measureme nt</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employees are rewarded, Rotate their job, Discharges, etc. based on performance evaluation.</td>
<td>Frequency</td>
<td>26</td>
<td>76</td>
<td>48</td>
<td>1</td>
<td>9</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>16.3</td>
<td>47.5</td>
<td>30.0</td>
<td>0.6</td>
<td>5.6</td>
<td>100.0</td>
</tr>
<tr>
<td>2</td>
<td>The current salary Structure Improves Service delivery.</td>
<td>Frequency</td>
<td>5</td>
<td>12</td>
<td>26</td>
<td>54</td>
<td>63</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>3.1</td>
<td>7.5</td>
<td>16.3</td>
<td>33.8</td>
<td>39.4</td>
<td>100.0</td>
</tr>
<tr>
<td>3</td>
<td>Profit sharing/Bonuses are used as a mechanism to reward higher performance.</td>
<td>Frequency</td>
<td>29</td>
<td>84</td>
<td>4</td>
<td>15</td>
<td>17</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>18.1</td>
<td>52.5</td>
<td>2.5</td>
<td>9.4</td>
<td>10.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Focusing table 4.2II, Majority of the respondents (i.e.63.8%) agreed that employees are rewarded, rotated their job, discharged, etc. up on their performance evaluation. And Majority of the respondents (i.e.73.2%) complained for their current salary (i.e. they informed that the salary isn’t satisfactory). Besides Majority of the respondents (i.e.70.6%) agreed that bonus is given at the end of the year when their performance could be achievable. Hence it can be concluded that the company should make salary adjustment comparatively with the neighborhood hotels & carryon the priority of the vacancy towards the internal staff & using properly the performance evaluation for career purpose of staff & Job achievement of the employees up on their performance.
Table 4.2.III. Human Resource Practice of Respondents’

<table>
<thead>
<tr>
<th>No</th>
<th>III. Training &amp; development based questionnaires.</th>
<th>Measurement</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Training is imparted based on training need identification.</td>
<td>Frequency</td>
<td>42</td>
<td>87</td>
<td>22</td>
<td>3</td>
<td>6</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>26.3</td>
<td>54.4</td>
<td>13.8</td>
<td>1.9</td>
<td>3.8</td>
<td>100.0</td>
</tr>
<tr>
<td>2</td>
<td>Training is effective in improving the hotel’s performance in service delivery.</td>
<td>Frequency</td>
<td>88</td>
<td>53</td>
<td>5</td>
<td>1</td>
<td>13</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>55.0</td>
<td>33.1</td>
<td>3.1</td>
<td>0.6</td>
<td>8.1</td>
<td>100.0</td>
</tr>
<tr>
<td>3</td>
<td>There is a budget dedicated to training and development every year.</td>
<td>Frequency</td>
<td>80</td>
<td>52</td>
<td>6</td>
<td>2</td>
<td>20</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>50.0</td>
<td>32.5</td>
<td>3.8</td>
<td>1.3</td>
<td>12.5</td>
<td>100.0</td>
</tr>
<tr>
<td>4</td>
<td>The company arranges working time schedule for those employees upgrade their academic level.</td>
<td>Frequency</td>
<td>31</td>
<td>15</td>
<td>18</td>
<td>50</td>
<td>46</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>19.4</td>
<td>9.4</td>
<td>11.3</td>
<td>31.3</td>
<td>28.7</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Up on the table 4.2.III, Majority of the respondents (i.e.80.7%) agreed that training in the organization is imparted based on training need identification. Majority of the respondents (i.e 88.1%) agreed that training given in Harmony Hotel is effective in improving the hotel’s performance in service delivery. And Majority of the respondents (i.e. 82.5%) agreed that there is a budget dedicated to training and development every year towards the employees in Harmony Hotel. Besides Majority of the respondents (i.e. 60%) agreed that the company doesn’t arranges working time schedule flexibly for those employees upgrade their academic level themselves.

Table 4.2 IV. Human Resource Practices of Respondents’

<table>
<thead>
<tr>
<th>No</th>
<th>IV. Performance Appraisal based questionnaires.</th>
<th>Measurement</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The employees understand the purpose of Result Oriented Performance Appraisal System.</td>
<td>Frequency</td>
<td>18</td>
<td>33</td>
<td>86</td>
<td>9</td>
<td>14</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>11.3</td>
<td>20.6</td>
<td>53.8</td>
<td>5.6</td>
<td>8.8</td>
<td>100.0</td>
</tr>
<tr>
<td>2</td>
<td>Employees feel happy by the results of appraising their performance.</td>
<td>Frequency</td>
<td>10</td>
<td>16</td>
<td>27</td>
<td>77</td>
<td>30</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>6.3</td>
<td>10.0</td>
<td>16.9</td>
<td>48.1</td>
<td>18.8</td>
<td>100.0</td>
</tr>
</tbody>
</table>
There is transparency & Continuous follow up when evaluating employee.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>15</th>
<th>23</th>
<th>41</th>
<th>63</th>
<th>18</th>
<th>160</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>9.4</td>
<td>14.4</td>
<td>25.6</td>
<td>39.4</td>
<td>11.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>

There is strong rule based motivation system for the performance appraisal.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>15</th>
<th>84</th>
<th>49</th>
<th>4</th>
<th>8</th>
<th>160</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>9.4</td>
<td>52.5</td>
<td>30.6</td>
<td>2.5</td>
<td>5.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Based on the above table 4.2 IV, Majority of the respondents (i.e. 53.8%) agreed that the employees understand the purpose of Result Oriented Performance Appraisal System neutrally. And 66.9 % (Majority of the respondents) agreed that employees feel unhappy by the results of appraising their performance. In addition to this 50.7 % (Majority of the respondents) agreed that there isn’t transparency & Continuous follow up when evaluating employees. In addition to this (61.9%) respondents are agreed that there is a strong rule based motivation system for the performance appraisal in the organization yearly.

<table>
<thead>
<tr>
<th>No</th>
<th>V. Investigation of HR Challenges in Harmony Hotel</th>
<th>Measure ment</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Recruitment &amp; Selection System of your company is effective for the organizational goal.</td>
<td>Frequency</td>
<td>38</td>
<td>60</td>
<td>55</td>
<td>6</td>
<td>1</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>23.8</td>
<td>37.5</td>
<td>34.4</td>
<td>3.8</td>
<td>0.6</td>
<td>100.0</td>
</tr>
<tr>
<td>2</td>
<td>Management &amp; Non-Management employees work together with no power distance (i.e. There is team work).</td>
<td>Frequency</td>
<td>10</td>
<td>25</td>
<td>13</td>
<td>57</td>
<td>55</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>6.3</td>
<td>15.6</td>
<td>8.1</td>
<td>35.6</td>
<td>34.4</td>
<td>100.0</td>
</tr>
<tr>
<td>3</td>
<td>Employee benefit plan is one of the important reason for working in your hotel.</td>
<td>Frequency</td>
<td>30</td>
<td>93</td>
<td>20</td>
<td>2</td>
<td>15</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>18.8</td>
<td>58.1</td>
<td>12.5</td>
<td>1.3</td>
<td>9.4</td>
<td>100.0</td>
</tr>
<tr>
<td>4</td>
<td>Job rotation &amp; Job enlargement are utilized effectively for employee development.</td>
<td>Frequency</td>
<td>28</td>
<td>78</td>
<td>37</td>
<td>16</td>
<td>1</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>17.5</td>
<td>48.8</td>
<td>23.1</td>
<td>10.0</td>
<td>0.6</td>
<td>100.0</td>
</tr>
<tr>
<td>No</td>
<td>V. Investigation of HR Challenges in Harmony Hotel</td>
<td>Measure</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>Total</td>
</tr>
<tr>
<td>----</td>
<td>---------------------------------------------------</td>
<td>---------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>-------</td>
</tr>
<tr>
<td>5</td>
<td>Employees have a voice in decision making regarding change working environment.</td>
<td>Frequency</td>
<td>5</td>
<td>17</td>
<td>32</td>
<td>79</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>3.1</td>
<td>10.6</td>
<td>20.0</td>
<td>49.4</td>
<td>16.9</td>
<td>100.0</td>
</tr>
<tr>
<td>6</td>
<td>There is standby office to listen grievance of the employees.</td>
<td>Frequency</td>
<td>9</td>
<td>13</td>
<td>16</td>
<td>71</td>
<td>51</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>5.6</td>
<td>8.1</td>
<td>10.0</td>
<td>44.4</td>
<td>31.9</td>
<td>100.0</td>
</tr>
<tr>
<td>7</td>
<td>There is promoting positive workforce attitudes towards HRD.</td>
<td>Frequency</td>
<td>16</td>
<td>47</td>
<td>53</td>
<td>21</td>
<td>23</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>10.0</td>
<td>29.4</td>
<td>33.1</td>
<td>13.1</td>
<td>14.4</td>
<td>100.0</td>
</tr>
<tr>
<td>8</td>
<td>There is acceptance of modern technological changes to simplify the challenges occurred.</td>
<td>Frequency</td>
<td>21</td>
<td>82</td>
<td>24</td>
<td>16</td>
<td>17</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>13.1</td>
<td>51.2</td>
<td>15.0</td>
<td>10.0</td>
<td>10.6</td>
<td>100.0</td>
</tr>
<tr>
<td>9</td>
<td>There is an attracting &amp; retaining qualified personnel.</td>
<td>Frequency</td>
<td>10</td>
<td>15</td>
<td>69</td>
<td>56</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>6.3</td>
<td>9.4</td>
<td>43.1</td>
<td>35.0</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>For the sake of employees’ conducive working environment, there is formal communication program me among employee’s &amp; their dep’t leaders.</td>
<td>Frequency</td>
<td>14</td>
<td>22</td>
<td>93</td>
<td>19</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>8.8</td>
<td>13.8</td>
<td>58.1</td>
<td>11.9</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>For the sake of employees’ conducive working environment, there is formal communication program me among employee’s &amp; their dep’t head &amp; Top management as well as HRM.</td>
<td>Frequency</td>
<td>6</td>
<td>11</td>
<td>20</td>
<td>76</td>
<td>47</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>3.8</td>
<td>6.9</td>
<td>12.5</td>
<td>47.5</td>
<td>29.4</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>There is trustful &amp; professional delegation in your company.</td>
<td>Frequency</td>
<td>6</td>
<td>26</td>
<td>61</td>
<td>41</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage</td>
<td>3.8</td>
<td>16.3</td>
<td>38.1</td>
<td>25.6</td>
<td>16.3</td>
<td></td>
</tr>
</tbody>
</table>

Up on the above table 4.3, Majority of the respondents (i.e. 61.3%) agreed that the Recruitment & Selection System of the company is effective for the organizational goal.
Majority of the respondents (i.e.70%) agreed that the Management & Non-Management employees didn’t work together jointly & there is no more teamwork between them as well. Majority of the respondents (i.e.76.9%) agreed that employee benefit plan is one of the important reasons for working in the hotel, that’s being the company is service industry, the staff satisfaction should give priority; otherwise the feeling of uncomfortable staff can be reflected to the service delivery of the customers unconsciously.

Majority of the respondents (i.e.66.3%) agreed that Job rotation & Job enlargement are accomplished effectively for employee development in the organization.

Majority of the respondents (i.e.66.3%) agreed that employees didn’t have a voice in decision making regarding change working environment of the company. Majority of the respondents (i.e.76.3%) agreed that there is no dedicated office in the organization so as to listen grievance of the employees. And Majority of the respondents (i.e.39.4%) agreed that there is a promoting positive work force attitude towards HRD of the company, but the data is shown that there should be additional coaching & training to be done in the company in order to bring more positive attitudes of the employees.

Majority of the respondents (i.e.64.3%) agreed that there is acceptance of modern technological changes to simplify the challenges occurred in Harmony Hotel, Majority of the respondents (i.e.43.1) agreed that the attracting & retaining qualified personnel system applicable in Harmony Hotel perceives neutrally. So, it can be concluded that no such credit given for retaining the mandatory staff members’ resignation.

Lastly, Majority of the respondents (i.e.58.1%) agreed that for the sake of employees’ conducive working environment, the communication program applied between the employees & their dep’t leaders isn’t satisfactory & formally dedicated as well as it isn’t more problem solver, rather it magnifies reporting matter. Majority of the respondents (i.e.76.9) agreed that for the sake of employees’ conducive working environment, there is no formal communication program among employees & their dep’t head as well as Top management including HRM. And also Majority of the respondents (i.e.41.9%) agreed that there is no trustful & professional delegation applied in the company.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter being the last part of the study deals with conclusion and recommendations. The main purpose of this study was to assess the impact of human resource management practices on employee satisfaction & challenges in the case of Harmony Hotel with regard to the practices of recruitment and selection, training and development, performance appraisal, compensation and benefit, grievance handling, etc.

Based on the research questions stated at the beginning of the study, the findings were obtained from the responses of employees, observation & Document investigation as well.

5.1 Summary of major findings

- Majority of the respondents (i.e. 96.3%) agreed that the organization (i.e. Harmony Hotel) prefers an internal employee whenever a vacancy opens up.
- Majority of the respondents (i.e. 73.2%) complained for their current salary & they informed that the salary isn’t satisfactory.
- Majority of the respondents (i.e. 88.1%) agreed that training given in Harmony Hotel is effective in improving the hotel’s performance in service delivery.
- 60% (Majority of the respondents) agreed that the company doesn’t arranges working time schedule flexibly for those employees upgrade their academic level themselves.
- Majority of the respondents (i.e. 53.8%) agreed that the employees understand the purpose of Result Oriented Performance Appraisal System neutrally. Hence it can be concluded that there are somewhat unsatisfactory conditions on the quality of result oriented performance appraisal system.
- Majority of the respondents (i.e. 50.7%) agreed that there isn’t transparency & Continuous follow up when evaluating employees, rather the appraiser randomly & Privately did the evaluation with no active participation as well as with no formally documented references whenever the deadline (i.e. July 1 to December 30 & January to June 30) arrives.
- Majority of the respondents (i.e. 61.3%) agreed that the Recruitment & Selection System of the company is effective for the organizational goal.
- Majority of the respondents (i.e. 70%) agreed that the Management & Non-Management employees didn’t work together jointly & there is no more teamwork between them as well.
• Majority of the respondents (i.e. 76.9%) agreed that employee benefit plan is one of the important reason for working in the hotel, that’s being the company is service industry, the staff satisfaction should give priority; otherwise the feeling of uncomfortable staff can be reflected to the service delivery of the customers unconsciously.

• Majority of the respondents (i.e. 66.3%) agreed that Job rotation & Job enlargement are accomplished effectively for employee development in the organization.

• Majority of the respondents (i.e. 66.3%) agreed that employees didn’t have a voice in decision making regarding change working environment of the company.

• Majority of the respondents (i.e. 76.3%) agreed that there is no dedicated office in the organization so as to listen grievance of the employees.

• Majority of the respondents (i.e. 64.3%) agreed that there is acceptance of modern technological changes to simplify the challenges occurred in Harmony Hotel.

• Majority of the respondents (i.e. 43.1%) agreed that the attracting & retaining qualified personnel system applicable in Harmony Hotel perceives neutrally. So, it can be concluded that no such credit given for retaining the mandatory staff members’ resignation.

• Majority of the respondents (i.e. 58.1%) agreed that for the sake of employees’ conducive working environment, the communication program applied between the employees& their dep’t leaders isn’t satisfactory & formally dedicated as well as it isn’t more problem solver, rather it magnifies reporting matter.

• Majority of the respondents (i.e. 76.9%) agreed that for the sake of employees’ conducive working environment, there is no formal communication program among employees& their dep’t head as well as Top management including HRM.

• Majority of the respondents (i.e. 41.9%) agreed that there is no trustful & professional delegation applied in the company.

• Out of the total staff of 294, 153 employees have resigned (i.e. 52.04%) from April 2018 to June 2019 with different reasons. But most of the respondents said the main case is due to insufficient salary (i.e. comparative Salary with neighborhood hotels) towards the line staff particularly the kitchen Porters, Housekeeping attendants, Laundry attendants, Security staff, Drivers, Spa attendants as well as Waiter/Waitress. Due to this reason the following side effects have seen in the company:


➢ So much material breakages have seen due to staff unfamiliarity in the working area.
➢ There were gaps at customer service deliveries & customer handling systems especially towards the long stayed customers of Harmony Hotel.
➢ So much time is wasted for training & coaching those new staff members.
➢ The department heads, HRM & GM have wasted more times in recruitment & selection process.
➢ There line managements were fatigue to coach & Train whenever the trained staff resigns frequently.
➢ There was more expense paid to Media for the frequently advertising vacancies.
   (I.e. ETB 95,000.00 has paid to the media for the vacancies advertised from April 2018 to June 2019.

5.2 Conclusion

▪ The finding of the study indicates the fact that there is annual employees’ motivation up on the appraisal performance, but the result is given almost high score generally ignoring the yearly performance difference of individuals & such evaluating system touches morale of the strong performers.

▪ Overall coverage of the study concerning the HR practices & challenges facilitated in Harmony Hotel; The company is effective in fulfillments of different activities such as in hiring process, Formal Employees Training, presence of monthly employees’ motivation ceremony for the high performers, using technological out puts for work simplicity( Such as Cnet& NOVACOM soft wares),etc.; but there are gaps such as: No more voice acceptance in decisions making , no dedicated grievance listener office formally, Passive action takings for the urgency issues, there are not formal & problem solving communication meetings among the employees’ dep’t, HRM & Top Managements ,No more professional job delegations among the departments, there is unfair salary towards the stewards, Security, Drivers & attendants team.

▪ There is no strong teamwork between the management & non-management employees; there is rigidity at working schedules for those students upgrade their academic level. Besides the salary given to bottom line staffs such as drivers, securities, steward, waiter/waitress & attendants of the departments is unsatisfactory
(i.e. less) when compared with similar neighborhood industries & hence this was the main reason for the employees’ turnover.

5.3. Recommendation
In view of the findings and the problems mentioned above together with the review of related literature, the following recommendations are suggested:

- There should be regular assessment of performance to enhance their motivation. Performance appraisal system should be essential for measuring job performance and employee motivation compare red those employees with in a department not comparing with other departments. The performance standards should be pegged against an individual actual performance, which is essential for employee motivation. The appraisal process should be accurate, document referenced, participatory and consider the current job descriptions to boost the employee productivity and motivation.

- It is better to have Comparative Salary adjustment with neighborhood hospitality industries on the line staff especially at Kitchen Stewards, Drivers, Security, H/K attendants, Spa attendants, Laundry attendants & Waiter/waitress as there is 400ETB to 650 ETB less Salary payable &700 to 1000birr less salary payable for drivers here in Harmony Hotel when compared with surround neighbor parallel industries taken secretly from Saro Maria, West Best, Golden Tulip, Safire Addis & Capital hotels.

- There should be formal & continuous departmental meeting along with HRM as well as Top Managements so as to proceed conducive working environment.

- Presence of employees’ grievance listener office is essential in the company.

- Performing team work between the management & no management employees with minimizing power distance is advisable in the hotel.

- Flexibility understanding on the working schedules is mandatory for presence of conducive working environment in the company.
REFERENCES


Dear Respondent,

I am Masters of General Business Administration student in St. Mary’s University. I am conducting a research project on the topic “The Assessment of Human Resource Management Practices towards Organizational Performance in the case of Harmony Hotel in Addis Ababa” as part of the requirement for the master’s program.

The information you provide will be valuable for the successes of the research project. Please be honest and objective while filling the questionnaire. The information you give is used only for academic purpose and will be kept confidential.

If you have any doubt or something not clear, please feel free to contact me.

Thank you very much for your anticipated consideration.
Section 1 - Demographic Information based questionnaires

Please respond to the questions below by ticking (√) the right option.

1. Gender: (a) Male [ ] (b) Female [ ]

2. Age (in years): 19 – 30 [ ] 31 – 40 [ ] 41 – 50 [ ] 51 – 60 [ ]

3. Marital status: Single [ ] Married [ ] Divorced [ ]

4. Highest level of education. Please tick (√)

Master’s Degree [ ] First Degree [ ] Diploma [ ] Certificate [ ]

5. Job title: ____________________________

6. Work Experience: <2 years [ ] 2-4 years [ ] 4 1/2 - 6 years [ ]

More than 6 years [ ]

7. Salary: <1000 ETB [ ] 1000 – 2000 ETB [ ] 2001 – 3000 ETB [ ]

3001 - 5000 ETB [ ] 5001 - 10,000 ETB [ ] >10,000 ETB [ ]
Section 2: Human Resource Practice of Harmony Hotel based questionnaires

When 1=Strongly Disagree 2=Disagree  3= Neutral 4=Agree  5=Strongly agree

<table>
<thead>
<tr>
<th>Please tick (√) the levels of agreement in each of the items below with regards to the HRM practices of your Hotel</th>
<th>SA</th>
<th>A</th>
<th>N</th>
<th>DA</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Recruitment and Selection</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>1. Applicants are fully informed about the qualifications required to perform the job before being hired.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. In this organization, line managers and HR managers participate in the selection process.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Selection system selects those having the desired knowledge, skills and attitude.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Our organization prefers an internal employee whenever a vacancy opens up.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II. Compensation (Employees Reward System)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Employees are rewarded, Rotate their job, Discharges, etc. based on performance evaluation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Is the current salary Structure Improving Service delivery?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Profit sharing/Bonuses are used as a mechanism to reward higher performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>III. Training and Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Training is imparted based on training need identification.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Training is effective in improving the hotel’s performance in service delivery.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. There is a budget dedicated to training and development every year.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. The company arranges working time schedule for Those</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
employees upgrade their academic level.

IV. Performance Appraisal

1. The employees understand the purpose of Result Oriented Performance Appraisal System.
2. Employees feel happy by the results of appraising their performance.
3. There is transparency & Continuous follow up when evaluating employee.
4. There is strong rule based motivation system for the performance appraisal.

Section 3: Investigating HR Challenges in Harmony Hotel

V. Investigating HR challenges in Harmony Hotel

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Recruitment &amp; Selection System of your company is effective for the organizational goal.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2. Management &amp; Non-Management employees work together with no power distance (i.e. There is teamwork).</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Employee benefit plan is one of the important reason for working in your hotel.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Job rotation &amp; Job enlargement are utilized effectively for employee development.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Employees have a voice in decision making regarding change working environment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. There is standby office to listen grievance of the employees.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. There is promoting positive work force attitudes towards HRD.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. There is acceptance of modern technological changes to simplify the challenges occurred.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9. There is attracting & retaining qualified personnel.

10. For the sake of employees’ conducive working environment, there is formal communication program me among employee’s & their dep’t leaders.

11. For the sake of employees’ conducive working environment, there is formal communication program me among employee’s & their dep’t head & Top management as well as HRM.

12. There is trustful & professional delegation in your company.

**Thank you for participating**
1. የለበት (የማናቸው) [ ] (አለበት [ ]

2. የክርብ ከፍወት: 19 – 30 [ ] 31 – 40 [ ] 41 – 50 [ ] 51 – 60 [ ]

3. የኩረት ላይት: የላለይ [ ] የነበር [ ] ያሆኑ [ ]

4. የክርብ የፈቻርት

5. ይህንን ከሰማት

6. ይህን ከልማት (ሃደት የፈቻርት) : <2 [ ] 2-4 [ ] 4 1/2- 6 [ ] >6 [ ]

7. ይህና ከርምት: <1000 ኩር [ ] 1000 – 2000 ኩር [ ] 2001 – 3000 ኩር [ ] 3001 -5000 ኩር 5001 -10,000 ኩር [ ] >10,000 ኩር [ ]
## 1. የስራተኛ የሰራት እና የውስጥ ያስማማወች

<table>
<thead>
<tr>
<th>ያስማማ (v)</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
</table>

1. እንወ ከጆም እውን የስራ ያስማማን ያቅረቡ

2. ከእን ይጋግ መነሻ ያጋጣጠው መን ኤኝ ያስከ ተስፋ ያጋጫ ከእን ያስማማ

3. ከውስጥ የሰው ሆይ ያስማማ ያላቸው

4. ከውስት የስራ ያስማማን ያስማማ ያስማማ ያስማማ

## II. የስራተኞች ያስማማ እና የውስጥ ያስማማ

1. የስራ ያስማማ የስራተኞች ያስማማ ከእን ይጋጫ ያስማማ ያስማማ

2. ከእን ይጋጫ ከእን ያስማማ ያስማማ

3. የስራተኞች የስራ ያስማማ ያስማማ ያስማማ ያስማማ

## III. ያስማማ እና ያስማማ እና ያስማማ

1. የስራተኞች የስራ ያስማማ ያስማማ ያስማማ ያስማማ

2. የስራተኞች የስራ ያስማማ ያስማማ ያስማማ ያስማማ

3. የስራተኞች የስራ ያስማማ ያስማማ ያስማማ ያስማማ

4. የስራተኞች ያስማማ ያስማማ ያስማማ ያስማማ ያስማማ ያስማማ

## IV. የስራ ያስማማ እና ያስማማ

1. የስራ ያስማማ ያስማማ ያስማማ ያስማማ ያስማማ ያስማማ
<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. እስተሆናቸው ከማስቀወ ያገኙ ከማስገኚ ያስተካች በማስታገወ ከማስችል ያስተካች በማስታገወ ካልወሇ፡፡</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ከፋሽ-3: ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td>5 4 3 2 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. ከፋሽ የሆነ ከታች ከማስቀወ ያስተካች በማስታገወ ካልወሇ</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

እርምትን ወርምት ከማስቀወ ያስተካች በማስታገወ ካልወሇ