HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES AND ITS IMPACT ON CUSTOMER SATISFACTION IN SMES IN THE TOURISM SECTOR IN NAMIBIA

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Abstract

The purpose of this publication is to register the above study intent within the Human Resource Management (HRM) knowledge domain. Furthermore, to create awareness amongst the HRM practitioners, scholars, and consultants alike, for an immediate and urgent need for research engagement either theoretic, empirical, or applied research relating to people management particularly in SME in the tourism sector in Namibia.

Approach: In the proposal, the aim is to exploit the need to examine the impact HRM of knowledge sharing, commitment, and retention towards attaining customer satisfaction in the tourism sector. The proposal intends to produce five (5) publications from the study themes. Systematic literature review, quantitative and qualitative approaches will be engaged for the studies.

This publication only registers this proposal as an area of intent with which the identified study questions will be investigated.

Highlights:
The proposal highlights the relevance of research focuses on issues of inspiring, commitment-driven and inexpensive HR practices in accentuating the employee sharing behavior, commitment, and retention of employees while unearthing the challenges encountered, present the factors that contribute to the effectiveness of these employee outcomes and the impact on organization outcomes in small businesses in the tourism section in Namibia. Originality/Value: This proposed study, the first of its kind and has the intention to unearth and explain the HR challenges that confront the SMEs as well as the practices adopted in the tourism sector, both from the theoretical and empirical positions, while contributing to the body of knowledge in HRM field in Namibia.

Keyword: SMEs, Human Resource Management practices, knowledge sharing, commitment, retention, customer satisfaction, SMEs, lodging, tourism

1. INTRODUCTION

There is an expanse of studies that focus on examining and explicating the impact of HRM practices concerning organizational high performance and employee outcomes are increasingly mounting. The employee outcome such as knowledge sharing (Alavi and Leidner, 2001); (Naim & Lenka, 2016) and (Chen & Cheng, 2012), commitment (Allen and Meyer, 1990); (Jackson, Meyer & Wang, 2013); (Allen & Grisaffe, 2001); (Saridakis, et al, 2013) and (Valaei & Rezaei, 2016) and retention (Dierendonck, Lankester, Zmyslona & Rothweiler, 2016; Cotton & Tuttle, 1986; Griffeth, Hom, & Gaertner, 2000; Podsakoff, Lepine, & Lepine, 2007; Hom, Mitchell, Lee, & Griffeth, 2012; Jiang, Liu, McKay, Lee, & Mitchell, 2012; Holtom, Mitchell, Lee, & Eberly, 2018 and Rubenstein, Eberly, Lee, & Mitchell, 2018) towards organization outcome both within the academia and practitioners around the globe. Evidence within these studies has indicated several positive organizational outcomes that are associated with knowledge sharing behavior, organizational or employee commitment, and retention. And indeed, it is critical the human resource challenges that small businesses encounter in their daily operations which require intervention and may continue to impinge the quality service delivery to customers, competitiveness with their large counterparts, and perpetual decline in the business performance and the
growth of tourism sector. Despite this phenomenal record, research in this area of this proposed topic has remained unexamined, especially in Small Medium Enterprises (SMEs), with particular reference to the tourism (lodging) sector in Namibia.

1.1. The proposed problem of the study

They strive to attain customer satisfaction is of the essence in today’s fierce business situation where globalization, technology advancement, and financial crisis are fundamental (Kimanuka, 2014; and Tangthong & Agahi, 2018). Especially, in the case of SMEs in the tourism sector where large organizations pose a huge competition. More so, customer satisfaction is a key factor in the performance and growth trajectory of SMEs in the tourism sector. Study shows that for any organization to develop an effective approach to navigate the terrain (Begum & Mohamed, 2016), human resources are one important area that organizations explore (Singh, 2013 and Cunningham & Rowley, 2010). While within the field of HRM, evidence shows that crucial to the organizational source of performance is its people. From the perspective of the resource-based view of the firm (Barney, 1991), the implication the necessitates the value approach in ensuring that employees are motivated towards their role expectation for positive organization outcome. Relatedly, high-performance human resource practices are therefore critical if employee's behavior is to positively contribute towards achieving the business goal of the organization. Generally, commitment-oriented practices that organization adopts are often inclined towards positive employee outcomes. However, in several cases, most SME owners are less intuited about the crucial value that the commitment-oriented HR practices may contribute to their business goals, as a result, pay less attention the employee wellbeing but the business goal. Meanwhile, the mutual gain perspective (Bryson, 2017) stipulates that the equal interest of both parties rather than the financial profit of the business largely plays an enormous role in the commitment-oriented HR practices if a high-performance work system is to be achieved. Though, several issues have been accounted for why SME owners may not perceive HR issues as topmost in their employee handling issues. For instance, cost, informality in the business setting, and the complexity in the approach towards integrating an effective HRM in SMEs (Harney & Dundon, 2006) have been of focus. Notably, Forth & Bryson (2018) suggest that implementing mutually benefiting HRM practices, such that tend to assist in enhancing knowledge sharing behavior (King, 2007; Alavi and Leidner, 2001; Bock, et al, 2005 and Webster, et al, 2008 ), employee commitment (Becker, 1960; Allen & Grisaffe, 2001; Saridakis, et al, 2013; and Valaei & Rezaei, 2016); and retention (Cotton & Tuttle, 1986; Fraza, 1998; Odsakoff, Lepine, & Lepine, 2007; Hom, Mitchell, Lee, & Griffeth, 2012; Holtom, Mitchell, Lee, & Eberly, 2018 and Rubenstein, Eberly, Lee, & Mitchell, 2018) have significance for business goal attainment.

1.2. The rationale for the proposed study

Hence, this proposed study will assist to examine and explain the impact of commitment-oriented HR practices that contribute towards employee knowledge sharing behavior, commitment, and retention which enhance the customer-oriented behavior leading to customer satisfaction. Castro-Casal, et al, 2019) states that “the customer is king” and providing them with satisfaction in the hotel services is vital. The employee remains the critical asset without which the business can attain its goal (Paauwe & Boselie, 2005). Understanding the people practices that owners adopt towards enhancing knowledge sharing behavior, commitment, and retaining good employees plays a crucial role in service-oriented behavior (Rusbult and Farrell, 1983) and customer satisfaction. The increased friction between the employee outcome and organization outcome will continue to hinder business performance if the best practices are not identified for SMEs’ improved performance in the tourism sector in Namibia. Also, to contribute to the body of knowledge in HRM. Furthermore, to establish the basic ground for literature in research by students, scholars, and decision-making basis for agencies, associations and decision-makers alike on the importance of best employment practices for the tourism sector in Namibia.

2. THEORETICAL BACKGROUND

Boxall & Purcell (2015) define HRM as the management practices to align the behavior of all employees towards the goal of the organization which is the view taken in
This proposed study. Various studies both past and recent empirical, as well as theoretical, have been engaged by scholars that emphasized the value creation of HRM practices towards attaining the business goal (Mazzarol, 2003). HRM that has its history from personnel, examples are Forth & Bryson (2018) “impact of management practices on SME performance” likewise Broszeit, Fritsch, Görg, & Marie-Christine (2016) and Watson et al (2010) study which suggests that examining the impact of bundles of practices within SMEs will spell a lower cost-benefit ratio for SMEs and the immense need of HRM instruments (Brand and Bax, 2002:452). However, in the wake of the financial uncertainty that confronts the Namibian nation and the financial limitation syndrome that limits small business performance is more compounded (Rahman & Connie, 2011) and continuously hamper service quality thus customer satisfaction challenged.

Knowledge Sharing: Several definitions of Knowledge sharing exist. Davenport, De Long, & Beers, (1998); Bock, Zmud, Kim, and Lee, (2005) and Frappaolo (2006) in the same line of thought, have suggested that knowledge sharing is concerned with “how people share and use what they know”. While Connelly and Kelloway (2003) define knowledge sharing as a set of behaviors that involve the exchange of information or assistance to others. In an operational term in SMEs context, the definition by (King, 2007) which defines knowledge sharing to entail employees’ willingness to share their valuable knowledge and behaviors that facilitate the exchange of relevant information among organizational members. This definition is relevant in that this study intends to examine the HR practices such that are intrinsic concerning the employee wellbeing and how these enhance employee’s knowledge sharing behavior.

Holm & Poulfelt, (2003) argue that an increasing part of companies in the services sector is knowledge-based and the basis for critical competitive ground. Within the context of an organization, knowledge embraces both explicit and implicit knowledge (Nonaka & Takeuchi, 1995 and Kroon, 2019). While the valuableness of the knowledge as an asset for the organization is elaborated as performance leverage (Kroon, 2019). Yang (2009) emphasized that the nature of the hotel business requires that most employees should frequently share working information, such as product, service, and customer knowledge. Connelly & Kelloway, (2003) evaluate four predictors that determine employees’ perceptions of knowledge sharing cultures in the organization, points which include technology, the acquisition of technology, though, may seem financially challenging for small businesses to acquire. Nevertheless, Ford and Staples, (2008) indicate three reasons which behavioral, why knowledge sharing is resisted in an organization. First, disengagement from knowledge sharing, second, the individual may be neither actively sharing knowledge nor actively protecting it, and third, health and well-being need as the strongest indicators or fear of losing the dominant space. For instance, Kim & Lee (2006) found culture as one of the factors that influence knowledge sharing. Also, the attitude of owners towards creating such a conducive atmosphere consequently, depriving the employees of the required knowledge to increase the business service (Ortega, Corona, Hernandez & Montano, 2011). Specifically, this study confines its focus to HR practices such as are wellbeing related. Hence the question that arises centers around “how do SMEs owners use intrinsic HR practices to enhance knowledge sharing behavior amongst their employees in the Tourism (Lodging) Sector in Namibia? Thus, it will examine the relationships between leadership, wellbeing, job satisfaction, training, and culture on employee knowledge sharing behavior. involvement, autonomy, working environment, promotion, appreciation and praise, and authority.

Employee Commitment: Commitment is defined as the psychological state that binds the individual to the organization (Allen and Meyer, 1990). Becker (1960) calculative; Porter, Steers, Mowday, & Boulian, (1974) attitudinal. Also, it indicates the way an employee of an organization is attached and has some degree of loyalty towards the organization (Freund, 2005 and Joiner & Bakalis, 2006). Saridakis, Torres & Johnstone, (2013) state that committed employees are likely to exhibit more positive feelings, beliefs, and actions towards their jobs than those who are not. Three-dimensional i.e., the affective, normative, continuance. Becker, (1960), Allen and Meyer, (1990); and Meyer, Stanley, Herscovitch, & Topolnytsky, (2002) approach have been used in diverse studies to investigate the extent to which employees are committed to the organization (Saridakis, et al, 2013 and Lam & Shang, 2003). Such that if employees are satisfied
with their job, loyalty, dedication, productivity, and happiness are exhibited by the individual employee and better service from the organization hence customer satisfaction (Ramlall, 2004). AMO theory (Appelbaum, Bailey, Berg, & Kalleberg (2000) which its wings have been extended to the area of employee outcome and organization performance, i.e., high-performance work system. The AMO theory indicates that A(ability to perform), M(motivated with attractive work conditions), and O(an opportunity that is fulfilling to individual employee aspiration) this will generate employee behavior which such as loyalty, trust and attachment thereby espouse commitment and retention that contribute towards employees giving good services that lead to customer satisfaction. Forth & Bryson (2018), is the fit theory that depicts the tightness between the structure of the organization and the HRM actions amidst the economic, political, and cultural forces (Fombrum, Tichy & Devane, 1984). Finally, gazing into mutual gain theory, this perspective to HRM practices highlights the need to view the perception of the employees rather than the intention of the HRM practices. The mutual gain theory refers to the benefits that both the firms and their employees derive from the introduction and maintenance of the right sorts of HRM practices (Kochan & Osterman, 1994). The debate around this study resounds the need for SMEs owner’s conscious awareness of the need to consider the mutual benefits (Schuler & Jackson, 1987 and Appelbaum, Bailey, Berg, & Kalleberg, 2000) when carrying out their HR activities with consideration for how these are perceived by the employees and reciprocities through their behavior thereof. The above will represent the scope within which the logic of this study relating to knowledge sharing, commitment, and retention are based. The question about a commitment that is pertinent in this study is the “to what extent do commitment-oriented HR practices implemented by SME owners are consistent with organizational high performance.

Employee Retention: Chaminade, (2007) defines retention as a voluntary move by an organization to create an environment that engages employees in the long term. Job satisfaction, employee commitment, and job satisfaction are widely regarded as the key reason behind turnover (Allen, Bryant, & Vardaman, 2010) which may occur in two different aspects, voluntary and involuntary. There is fertile literature that examines the two aspects concerning the employee turnover in the organization (Dierendonck, Lankester, Zmyslona & Rothweiler, 2016; Cotton & Tuttle, 1986; Griffeth, Hom, & Gaertner, 2000; Podsakoff, Lepine, & Lepine, 2007; Hom, Mitchell, Lee, & Griffeth, 2012; Jiang, Liu, McKay, Lee, & Mitchell, 2012. However, there is continuous agitation for the examination of this critical topic from scholars and practitioners alike. Especially in the SMEs, to comprehend the complexity that surrounds HR practices and employee turnover (Chaminade, 2007; Ramlall, 2003; and Kossivi, Xu & Kalgora, 2016). Abbasi & Hollman, (2000) indicate that excessive turnover of employees in the organizations often engenders far-reaching consequences and may jeopardize organization objectives. While past and recent studies have been more concerned about the high rate at which employees desert their employment (Ramlall, 2003 and James & Mathew, (2012), which is more compounded by the recent global economic and specifically Namibia’s financial crisis. Studies such as Dierendonck, et al, (2016) investigate the link between HRM practices and turnover during economic uncertainty. Hence, understanding the intrinsic human resource practices which are financially less demanding will be examined, and explain, if consciously aware and utilized can help in the attractive work environment that reduces employee turnover in SME in the tourism sector in Namibia. The question here then is “to what extent can intrinsic-oriented HR practices enhance employee retention in the tourism sector?”

Employment in the tourism sector: Studies have focused on the nature of employment in SMEs in the tourism sector in Namibia are nonexistent. However, a report such as from “the Namibian” a national newspaper reveals HR challenges to impede customer service in the tourism sector in Namibia (Smit, 2017). Meanwhile, considering other empirical studies that exist, such as in India by (Alferaih, 2017) reveal the informal, unattractive, and non-procedural practices in the hospitality industry which promote negative behavior. Also, is a study by Upchurch, Dipietro, Curtis & Hahn, (2010) with a focus on high labor turnover concerning employment condition. Especially studies from South Africa by (De Beer, Rogerson & Rogerson, (2013) and Coughlan, Haarhoff, Moolman, (2014) where Namibia has close institutional semblance except in population size.
suggest the same description. Singh, (2013) states that the impact of change in the business front, in particular, has impacted the organizations and job resulting in the decline in job security and mutual loyalty between employers and employees. While, Coughlan, et al, (2013) describe the job in the tourism sector as strenuous and demanding, hence not striking for positive employee behavior. Arguably, an organization of such state and image will be confronted with enormous challenges in their employees’ willful sharing of knowledge, while poor employee commitment with a clear indication for employee turnover. Such a phenomenon which Castro-Casal, Vila-Vázquez & Pardo-Gayoso, (2019) describe as unsuitable for quality services delivery in the tourism domain. The challenges that the nature of employment conditions raise accord the urgent need for immediate research to unearth the challenges for better explanation and intervention.

Customer satisfaction: Customer satisfaction is considered a complex task that needs to be examined for a better understanding of the service industry, especially in tourism (Biesok & Wyrod-Wrobel, 2011). Operators in the (lodging) tourism sector grapple to meet with the customer expectation in line with the standards set in the industry through dominant booking platforms. Customer satisfaction is defined as the buyer's opinion about the degree of compliance of transactions concerning his needs and expectations (Skrzypek & Curie-Skłodowska, 2000). For instance, TripAdvisor, one of the booking websites where hotel ratings are available to a large number of tourists and holidaymakers across the globe. The users access such a platform through internet technology. The review done in this manner helps the tourists in making an informed decision in fulfilling their lodging accommodation needs in their holiday destinations. Such a platform benefits the operators, though, puts them under some pressures for compliance. Particularly, as technology development and financial recession compel the service operators in the lodging so is the need to consider their people issues which can be a leverage for the satisfaction of customers (Foster, 1999). First, the importance of the topic resonates with the employee attribute in meeting the tourists’ positive experiences of service, products, and other resources provided by tourism destinations which leads to customer loyalty and retention as well as positive word-of-mouth referrals (Chin and Connie, 2011). Rese (2003) explains that the components of customer satisfaction have an enormous link with retaining customers in the organization for a longer period hence a positive effect on the overall performance of the firm. Such as loyalty of customers (Rese, 2003, Lien & Kao 2008 and Jamshaid, Qureshi & Khokhar, 2011). Several researchers have investigated many factors that are responsible for customer satisfaction. For instance, Chin and Connie state that food and beverage, accommodation, tourism facilities, hygiene, and security form the most influential factors in providing customer satisfaction. Also, Al-Ababneh, (2013) indicates destination accessibility, destination facilities, and destination attraction are factors. However, in this proposed study, the focus is on the people attribute of the service process in SMEs in tourism. Kimanuka, (2014) firmly states that customer satisfaction is a function of the employees’ knowledge and behavior (Quiresh, 2012; Vella & Gountas, 2009; Lloyd & Luk. 2011); Gruber, (2011); and Roberts, 2006). In another stream of study, Ladhari & Ladhari, (2010) describe employee-service oriented behavior from employee reliability, assurance, tangibles, empathy, and responsiveness. Similarly, a study shows that employees with knowledge are vital components and salient accelerator in bringing customer satisfaction to fruition (Jamshaid, et. al, 2011). Going by the definition previously stated above, (Skrzypek & Curie-Skłodowska, 2000), thus focusing on the people attributes towards service-oriented behavior in attaining customer satisfaction. Such are knowledge, willingness, courtesy, sincerity, friendliness, reliability, and responsiveness that employees display towards rendering service that leads to customer satisfaction in the tourism (lodging) sector. Accordingly, employees that are committed due to their satisfaction in the employment condition will exhibit such service-oriented behavior towards the customers (Gremler, 2011). Hence, it is essential to examine people’s attributes (employee outcome) during critical financial times (Qazi & Miralam, 2017). Therefore, the relationship between affective commitment and the behavior that is considered relative in service-oriented behavior will be tested in this proposed study.

3. SMALL AND MEDIUM ENTERPRISES (SMES) AND THE CHARACTERISTICS
Generally, tourism comprises of several sectors and products with SMEs dominating the largest part of this sector, especially the accommodation. According to UNWTO, (2016). SMEs have been defined differently across the world which makes its agreed definition difficult. Kalleberg and Van Buren, (1996) state that the typical way many have often come up with the definition is with the numbers of people employed in the establishment or the turnover of the business (Hammer, Jabara, Cardenas, Wise, Grossman, Peterson & Gosney, 2010). Meanwhile, Harney & Nolan 2014) warn of the variation that may be characterized by the employment-based and numerical definition which may not be appropriate as in the case of a large organization. Following each country’s preferred criteria is advised (Menon Business Economics, 2017). Despite the variance in these definitions, the definition of small business within this study will be that in accordance to Ministry of Trade, Industrialization and SME development using the numbers of employees as any that has between 10 to 30 employees (The National Policy document by the Ministry of Trade, Industrialization and SME Development, November 2016). SMEs are essential in the economic pipeline of any country, but they are less developed in developing countries. The Organisation for Economic Cooperation and Development (OECD) in the reports state that more than 95% of enterprises in the OECD areas are SMEs (Dalberg Global Development Advisors, 2011). The survival of SMEs depends on the limited resources, values, unique characteristics, and individual ability while these imply their human resources implementation (Brian & Nolan, 2014). The performance of SMEs is important as this reflects on the health of the entire nation’s economy and have an indication for employment image within a sector and the growth in the economy of the country at large (Lawless, McCann & McIndoe-Calder, 2012). Amongst these resources is the employee which is critical. Meanwhile, SMEs owners in the tourism in Namibia are usually not less knowledgeable on human resource issues, however, the value for an effective knowledge in managing the employees to derive the knowledge, commitment, and retaining the qualified employee is of enormous importance to the success of their business. Hence, this study is proposed to examine and explain the HRM practices issues and how owners implement these to attain the business goal.

The Heuristic model for the study

Below are the questions which this paper proposes examination and explanation, both empirical and theoretical using different methodologies that are qualitative and quantitative.

Q1. How do SMEs owners enhance the commitment and retention of their employees in the tourism industry?
Q2. To what extent do SMEs owners apply the commitment-oriented HR practices and the relationship between employee service-oriented in the tourism sector?

Q3. To what extent does affective-commitment influence employee service-oriented behavior to attain customer satisfaction in the tourism sector in Namibia?

Q4. To what extent can intrinsic-oriented HR practices enhance employee retention in the tourism sector?

Q5. How do SMEs owners enhance knowledge sharing behavior in the Tourism Sector in Namibia?

4. THE RESEARCH DESIGN

The proposed study follows both the qualitative and quantitative approaches to carry out the study. Five (5) different publications are due in this study. Two of the studies will involve literature review using Cochrane protocol, while one is qualitative and two others quantitative as per the questions stated above.

5. HIGHLIGHTS OF THE HRM PRACTICES ISSUES IN THE TOURISM SECTOR IN NAMIBIA

Engaging in the study relating to knowledge sharing behavior, employee commitment, and retention in the tourism (lodging) sector, the first of its kind Namibia, helps to highlight the need to unearth the employment practices that exist in the section amongst several other factors. The study brings into essence the need to compare the existing practices with best practices as to the importance of people value-adding and the competitiveness of the business cannot be overemphasized; to contribute to the body of knowledge; the need for an urgent call on scholars and practitioners for further studies in the sector.

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