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Assessment of Sustainable Competitive Advantage of Selected Hotels in Kumasi Using the Generic Functions of Human Resource Management Model

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Abstract:

It has been observed that most hospitality companies neglect the welfare of the human capital, resulting to high labour turnover in the industry. Globalization which is exposing the Ghanaian hospitality market to keen competition makes the issue of the human capital a force to reckon with. This study therefore seeks to unearth how generic function of HRM can be employed by Ghanaian hospitality industries with reference to Hotels in Kumasi to build sustainable competitive advantage. In this respect, the study attempts to review literature on concepts of competitive advantage and the generic functions of HRM and integrating these concepts to show how performance of an organisation can be enhanced through the adoption of such strategies. The research which employed the descriptive survey research design revealed that most of the hotels in Kumasi are cost leadership minded but its implementation is not effective among the lower star rating hotels. The high star rating hotels are however very effective with the implementation of differentiation strategy. Evidently, a common phenomenon that the study found among hotels in Kumasi was recruitment of low calibre of labour with little training. It is recommended therefore that hotel managers should consider long term benefit, and recruit, train and develop the right calibre of staff since this is vital to sustainable competitive advantage. Again, adapting generic function of HRM will be of great importance to the hotels in Kumasi in that by training and developing the right employees, labour turnover in the industry can be minimised since the trained and developed employees will become much loyal to the company.

Keywords: *Generic function; Sustainability; Competitive advantage; Hospitality; Human resource management.*

1. Introduction

The rate at which the hospitality industry is growing worldwide compels every government to develop the sector in order to have its share of the cake and Ghana is no exception. There is a growing awareness and evidence that organizational performance depends largely on the development of human resource. The emphasis on human capital in an organization reflects the view that market value depends less on tangible resources but rather on intangible ones, particularly the human resource (Stile et al, 2003). The travel industry is the world's largest industry, most international and most lucrative. There is therefore a pressing need for the development of the industry since the world is now becoming a global village. In view of this, the Ghana government through the Ministry of Tourism and the Ghana Tourist Board (GTB) are by law ensuring that Ghana is sold as a quality tourism destination by offering acceptable standards and services to tourists and to develop sustainable tourism. This is done through high and quality standards of services in our local hotels (Kotler, 2006).

A firm is regarded as a cohesive organism which learns to adopt or find better ways of doing things (Child, 1997). The hotel or hospitality firm is a service industry whose patronage mainly depends on trust and the attitude of the service provider. In this regards, the research team have the view that the human resource element must be well-taken care. Human capital development measures such as recruitment, retention, employee attitude, compensation and reward, training, development of employee skill and capabilities, appraisal and general satisfaction of the employee should be the prior concern of every organization. One factor that can set an organization apart from its competitors whether in services or products, in the private or public sector is its employees, their enthusiasm, and their satisfaction with their jobs and the company has a significant impact on the organization's productivity, level of customer service, reputation and survival (Jassim, 1998). Many writers have propounded theories to build

competitive advantage in firms. Devanna et al, (1995) suggest four 'generic functions' of HRM, namely, selection, appraisal rewards and development that act as independent variables, in a cycle of human resource interventions on the dependant variable of performance. The struggle to gain competitive advantage in markets that grow more fiercely like the service industry has radically altered the complexion of many businesses. The HRM theorists argue that HRM should be recognized as a source of competitive advantage (Boxall et al, 1992).

1.1. Competitive Advantage and Generic Functions Concepts

Competitive advantage can be defined as having an edge over rivals, attracting customers and defending against competitive force (Thompson et al, 1995). In other words competitive advantage is "the position of enduring superiority over competitors in terms of customers' preference" (Christopher, 1998). This therefore indicates that, for a company to survive and prosper, it needs to have a source of competitive advantage. There are many sources available to firms for providing competitive advantages. But prominent source for creating competitive advantage is the value that the distinguished features of a product or service add to the customers of a company (Slater, 1996). It must however be noted here that for a company to create such a value it needs to have core competence.

At the simplest level, companies create value by investing in activities that require skills that they can perform more ably than other companies. These skills represent the distinctive capabilities or core competence the company possesses over its competitors. They underpin the firm's ability to outperform the competition. It is worth noting that it is not enough to merely be as good as the competition, which is to have threshold competence; a business must have exceptional advantage or distinctive competence, to give it "an edge" over competitors (Neale et al, 2004). A business may be seen as a set of competence rather than as a group of activities. Core competences are often long established in businesses and come to define what the company is renowned for. Often a successful company may have only one or two competences to give it a particular attention to customers (Neale et al, 2004). There are many examples of core competences that can be harnessed to add value: customer relationships, supplier relationships, quality of management, production reliability, human resources management innovative ability and information technology capability. In general, core competences allow a business to add value through adopting one of the strategic stances identified by Porter (1985); cost leadership, differentiation and focus for niche.

Cost leadership strategy allows a company to produce something or provide a service at a lower cost than its competitors can. To achieve a cost advantage, cost chain must be lower than competitors' cumulative costs. This can be accomplish by improving efficiency and controlling costs along the existing activity cost-chain and revamping the firm's activity-cost chain to bypass some cost producing activities altogether (Thompson et al, 1993). This indicates that achieving cost advantage entails out managing rivals on efficiency and cost control and finding creative ways to cut cost- producing activities out of the activity-cost chain. Cost efficiency and control is determined by a number of cost drivers, namely, economics of scale, experience, supply cost, product/process design (Johnson et al, 2004).

Differentiation strategy seeks to provide products services unique or different from those of competitors in terms of dimensions widely valued by buyers (Johnson et al, 2004). It aims at achieving higher market share than competitors (which in turn could yield cost benefits) by offering better products or services at the same price, or enhance managing by pricing slightly higher (Porter, 1985). It is needful to point here that the competitive advantage by differentiation results when enough buyers become strongly attached to the attributes of a differentiators products offering. Successful differentiation allows a firm to command a premium price for its products, and or sell more units because additional buyers are won over by the differentiating features, and or gain greater buyer loyalty to its brand because some buyers are strongly attracted to the differentiating features (Thompson et al, 1993).

Whereas the two previous strategies identified by Porter (1985) involve appealing to all customers in a market, some firms may elect to target a narrower segment within an industry as the best strategy to exploit the advantage that the core competences give. They are likely to adapt their strategy to serve that particular segment more effectively than their competitors (Neale et al, 2004). This is known as focus strategy. Focus strategies can involve cost leadership (cost-focus) or differentiation (focus differentiation). A focuser's basis for competitive advantage is either lower cost than competitors in serving the market niche or an ability to offer niche members something different from other competitors.

1.2. Generic Functions of HRM

There is a large and growing body of evidence that demonstrates a positive linkage between the development of human capital and organizational performance. The emphasis on human capital in organizations reflects the view that market value depends less on tangible resource but rather on intangible ones, particularly human resources (Stile et al, 2003). Recruiting and retaining the best employers, however, is only part of the equation. The organization also has to leverage the skills and capabilities of its employees by encouraging individuals and organization learning and creating a supportive environment in which knowledge can be created shared and applied. To achieve this, an organization has to successfully go through the generic function in the human resources. The aim of human resources management is seen as the optimization of human resource value. Devanna et al (1984), suggest four "generic functions of HRM, namely, selection, appraisal, rewards and development that act as independent variables, in a cycle of human resource interventions on the dependent variable of performance.

Selection as a generic function of HRM is the process of choosing from a pool of applicants, the individuals who best fit the selection criteria for a given position (Asafo, 2006). The selection process is a critical one for every manager. This is used to assess the candidates in the pool against the requirement of the job or organization (Brannan, 2001). One must take into account not only the fact that an incorrect decision can lead to a tremendous cost in terms of resource and opportunity, but also that many

people will be affected by the decision. It is worthwhile to note that the right choice can mean growth and increased productivity for the entire work group associated with the new hire.

An effective selection process has the basic goal of hiring employees most likely to attain high level in one job or with one work group today and later be retrained or promoted as future needs dictate. Thus the goals of an effective selection process include, developing a high performance workforce, increasing the rate of return on recruiting cost (selection expense as an investment to reduce turnover, training and benefits costs and good value for salary expenditure), and selecting top performance applicants who will be able to attract others like themselves and continue a winning process. All selection activities from the initial screening interview to the physical examination if required exist for the purpose of making effective selection decisions and it is considered to be the most crucial stage where the applicants are matched against the requirement of the job (Maund, 2001).

Reward in this context is used as payment in all forms to the employee. People behave in ways that they believe are in their best interests and they constantly look for pay offs for their efforts. They expect good job performance which leads to organizational rewards, and they further seek rewards that will satisfy their individual goals or needs (DeCenzo et al, 2002). As a result, organizations use reward to motivate people. They rely on rewards to motivate job candidates to join the organization. They certainly rely on rewards to get employees to come to work and perform effectively once they are hired. There are a number of ways to classify rewards, but for the purpose of this paper, three of the more typical dichotomies have been selected: intrinsic versus extrinsic rewards, financial versus non-financial rewards, and performance-based versus membership-based rewards. All rewards can be termed payment and can include monetary or non-monetary payment (Maund, 2001).

Performance appraisal means evaluating people in their jobs to make relevant decisions. These cover pay, promotion, training and development, counseling and human resources planning (Naylor 2004). For one to actually do this accurately what constitute performance needs must to be clarified. Employees are said to be performing well when they are productive, yet productivity itself implies both concern for effectiveness and efficiency. It should be noted here that effectiveness refers to the goal accomplishment and efficiency evaluates the ratio of inputs consumed to outputs achieved. For instance, if an organization is expected to produce a product with a specific time period (say four hours) the organization is said to be effective if it uses less hours to produce the same item. The organization is efficient if less cost or effort is used to produce the require output. In addition to productivity, as measured in terms of effectiveness and efficiency, performance also includes personnel data such as measures of accidents, turnover, absences and hardness. In this respect a good employer is one who not only performs well in terms of productivity but also minimizes problems for the organization by being to work on time, by not missing days, and by minimizing the number of work-related accidents (Mullins, 1998).

The final element in the generic function of the (HRM) is development (that is training). Every organization needs to have well trained and experienced people to perform the activities that have to be done. If current or potential job occupants can meet this requirement, training is not important. When this is not the case, it is necessary to raise the skill levels and increase the versatility and adaptability of employees. It is needful to point here that employee development is not just training. It has a broader range of components that have a deeper impact on an individual that training alone does because it is not only the individual who is impacted upon but the organization and the wider environment within which the organization works (Maund, 2001). Therefore the definition for employee development is not as straight forward as it might seem because it is more of an attitude which includes the concept of growth, expansion, improvement and education. Hence employment development policy should express the organizations commitment to the continuous development of the skills and abilities of employees in order to maximize their contribution and to give them the opportunity to enhance their skills and realize their potentials, advance their careers and increase their employability within and outside the organization (Armstrong, 1999). According to DeCenzo et al, (2002), social learning principles tells us training should provide the trainer with a given model to follow, specific goals to achieve, an opportunity to perfect the skills, feedback on how well the trainee is progressing, and praise for transferring the acquiring skills to the job. These recommendations should guide the human resources manager in designing, implementing and operating any employee training.

1.3. Sustaining competitive advantage

It is evident stage that core competence gives a competitive advantage over its competitors – exploiting them enables it to earn abnormal returns. However, abnormal returns will attract competitors and if allowed to enter the market, the market competitors will erode value until a level of profitability is established that will no longer attract further entrants. This is why it is helpful if the competences are difficult for competitors to initiate. As a result, once a competitive advantage is established, wherever possible the company should try to defend it against new entrants by building barriers to entry (Neale et al, 2004). With reference to Austen (2000), there are three criteria that can help evaluate if you have developed a sustainable competitive advantage.

- The customer must see a consistent difference between your product or service and those of your competitor's. This difference ought to be obvious to your customers and it must influence their purchasing decision.
- Firm's competitive advantage must be difficult to imitate.
- The above two items combined must be activities that can be constantly improved, nurtured and work at to maintain that edge over competition.

As a firm, knowing your competitive advantage and knowing it is sustainable is very important because the company's success depends on it. As Bill Gates states "if you possess the market, you eventually possess the profits", sustainable competitive advantage is a strategy which will make the service provider possess the market.

2. Methodology

The study was in Kumasi in Ashanti region which is one of the administrative regions in Ghana. The choice is deliberate since it allows for adequate representation of desired socio-demographic population mix. It has the largest population of ten regions of

Ghana with eighteen (18) districts. Ten hotels ranging from three stars to budget were selected. Selection was done by stratified random sampling method. Simple random sampling was used to select the employees and each employee had equal chance of being interviewed. The study adopted the survey method of the descriptive research design which usually associates itself to deductive approach. Survey allows collection of large amount of data from a sizeable population in a highly economical way and it is often obtain by using a questionnaire administered to a sample. It yields a standardize data and allows easy comparison (Lewis et al, 2007). The justification for this approach lies in the fact that to examine a theory, the questions who, what, where, how much and how many would be asked. The survey strategy is the best for deductive approach of research which not only justifies the adoption of this strategy but also as pointed by Saunders (2007) the survey strategy is inexpensive, fast, perceived by people to be authoritative and comparatively easy to explain and understand. In this study, ten hotels of different star ratings in Kumasi were accessed. Table 1 shows the categories and number of respondents.

Hotel	Questionnaire Sent	Questionnaire Received	Interview	Total
Golden Tulip	10	10	2	12
Milkin	5	4	2	6
Georgia	5	4	2	6
Rexma	5	5	2	7
Treasure Land	5	5	2	7
New Orleans	5	4	2	6
Stadium Hotel	5	2	2	4
McKeown	2	2	2	4
Lizzy Hotel	3	2	2	4
Sports Hotel	5	2	2	4
TOTAL	50	40	20	60

Table 1: Distribution of questionnaire and interview respondents

A total of fifty set of questionnaire were distributed out of which forty were received. Two interview responses who have worked for more than 6 months in their respective hotels were selected from each of the 10 hotels. This provided the research team the opportunity to probe further unclear answers received through questionnaire. Data collected was presented and analyzed both qualitatively and quantitatively. The qualitative analysis was done by applying theoretical concepts of the subject under consideration found in the literature review to the study. The quantitative data obtained through questionnaire was analyzed using statistical techniques such as tables, bar charts, graphs and scoring model to facilitate easy understanding. The interview data was presented using the scoring model. In using the scoring model calculations, a criterion was chosen and categorized. The upper control limit and the lower control limit were calculated and the weight was multiplied by each score on each criterion. The research applied the theoretical concepts underlining competitive advantage and the generic functions of the human resource through to arrive at understanding of the practicality of the subject under consideration.

3. Results And Discussion

3.1. Presentation of Findings

As a way of examining competitive advantage in the hospitality industry using the employees and clients, and to ascertain the extent to which generic functions of the human resource management is practiced in the industry in Kumasi, ten hotels in Kumasi with divers star ratings were selected for the study. This section presents and analyses data collected to draw conclusions and make feasible recommendations towards best practices in the hospitality industry in Ghana.

3.1.1 Multiple questionnaire responses on the various star rating hotels in the study area

Single -star hotels: Four (4) out of 8 questionnaire were received from the single-star hotels. The two hotels have been in existence for less than 5 years. Two of the respondents indicated they do well in selling accommodation and the other 2 said they are good in food preparation. All the four (4) respondents of the 2 hotels indicated that they have competitive advantage in cost focus and cost respectively. Two of the respondents said the competitive advantage could be imitated and the other 2 said theirs is immutable. Their immutability is due to the fact that they develop their product and service often such that it would be difficult for others to catch up with them. All the four (4) said the competitive advantage is sustainable however the interview conducted revealed that the innovation strategy is not well used as indicated. Three (75%) of the respondents admitted they do not select the right employees rather they select and train. The remaining one (25%) indicated they do select the right employees and also train them. They explained the type of problems they have in their selection process is difficulty in getting the employee with qualities

they expect. Two (50%) indicated they do not have any performance appraisal method in place but interview revealed that they use observation. Two (2) of the respondents disclosed that they use observation and that it is very useful. When they were asked to state the problems they encounter in their appraisal method they said they do not encounter any problem. Interview however revealed that turnover rate is very high in these companies. With regards to reward or incentives that are given to employees, feedback from 2 respondents revealed that workers are given allowances or bonuses at the end of the year. The remaining two indicated they had no such system in place. When asked about the training programs they have in place, the type and what benefit they derive from them, all the management admitted they have a training program in place in the form of assistantship adding that it is beneficial because workers are able to perform after some few weeks of the training.

Two-star hotels: A total of thirteen (13) responses were received from the four 2-star hotels selected. as indicated in Fig 1, it is evident that 50% of the four (4) selected hotels have been in existence for less than five (5) years, 1(25%) is more than ten (10) years and 1 (25%) is more than twenty (20) years.

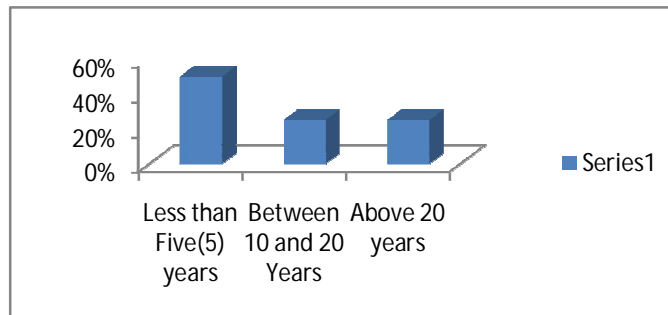


Figure. 1: Years of operation of the 2-star hotels in Kumasi (Source: Field Survey 2012)

In response to questions which sought to identify the company’s competitive advantage and its sustainability, 5 (39%) indicated they do best in selling for clients, four (31%) said they are best in offering service in general, one (1) representing 8% admitted that they do best in food preparation, and three (23%) said they are excellent in housekeeping. Ten (77%) indicated their unique skills and focus are superb customer care, two (15.4%) said they have moderate room cost as their focus and the remaining one (8%) said they are excellent in cooking a particular dish. Six (6) out of the 13 (46%) said their competitive advantage is differentiation, 6 (46%) said they use the cost strategy and one (8%) said the focus strategy is what they use. Seven (7) out of the 13 (54%) admitted that their competitive advantage is not sustainable because it is not difficult for competitors to imitate. Six (46%) said it is sustainable and therefore difficult for competitors to imitate.

With respect to mode of selection employee process, 10 (77%) confessed they do not select the right employee and although they use the interview method they select neat and intelligent applicants and then train them to fit into the system. When they were asked to state the problems they encounter in their selection process, some of the responses were that they have a large number of qualified personnel to choose from, others said some of the applicants are skilled but no qualification and some are with qualification but no skills. Responses to the performance appraisal method unveiled that, 8 (62%) have appraisal method whereas 5 (39%) have no appraisal method. With the 8 (62%) which have appraisal method, 5 (38%) said they appraise their workers annually, 7 (57%) said half yearly, one said quarterly. All respondents said the method used for appraisal is observation. Out of the 8 who said they have appraisal method, only 4 said the appraisal method is very useful, 3 indicated that it is fairly useful and one said not useful as shown in Fig. 2.

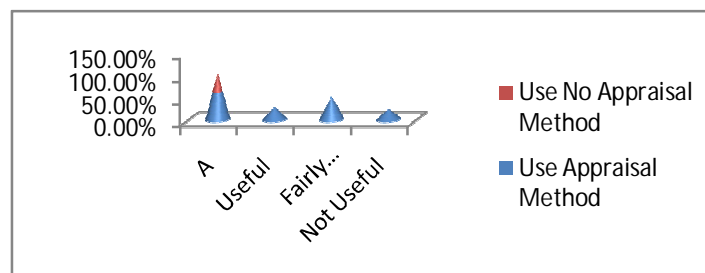


Figure 2: Usefulness of appraisal methods of 2-star hotels in Kumasi (Source: Field survey (2012))

With regard to motivation of workers, 10 (77%) indicated that they have a reward system in place and it is motivational. Five (38%) indicated they use allowances to motivate workers with the remaining five (5) 38% indicating that they use end of year bonuses to reward best employees. In response to the question which asked respondents about the type of training program their company have and how beneficial it is to the company, all the thirteen respondents indicated they have training programmes in

place and it is beneficial to the company. Ten (10) out of the thirteen (71%) indicated they use on the job training and 3 (23%) said they use assistantship. All the thirteen admitted it is beneficial to the company in that it gives a lot of confidence to the staff and make them work with little supervision. It helps the employee to perform on their job which goes a long way to increase productivity. Moreover, workers tend to have the required skills to facilitate work.

Three-star hotels: Four hotels were selected to represent the three star hotels in Kumasi. Two of these hotels have been in existence for more than ten (10) years; one for more than ten (10) years while the other one is over twenty years in existence. Out of the thirteen respondents, 4 (31%) said they serve accommodation best, 5 (39%) indicated that they are excellent in service delivery, 1 (8%) indicated they are best in food preparation while the remaining 3 (23%) highlighted that they are excellent in housekeeping (Fig. 3).

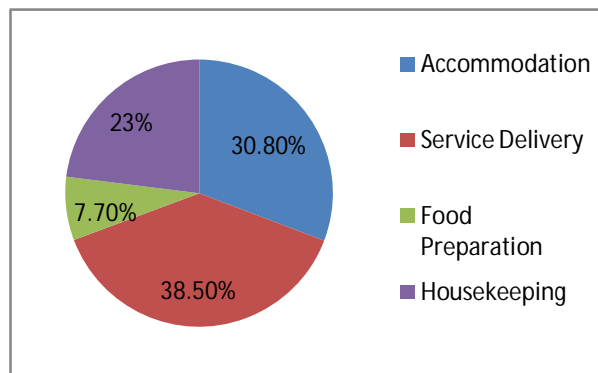


Figure 3: Three-star hotels in Kumasi and the service they provide best
Source: Field Survey 2012

Although, all the respondents said they have competitive advantage, the strategy being used by 3 (23%) is differentiation whereas the remaining 10 (77%) use cost focus and cost in general. Three (23%) respondents said their differentiation strategy is not sustainable because it is not immutable. But in the case of the 10 (77%) most of the respondents highlighted that their cost-focus and cost in general strategies are immutable and that they are not all that sustainable. The immutability of the differentiation strategy is due to the uniqueness of the building's design which ensures easy identification, and a beautiful art of the service delivery. But it was realized that the mutability of the cost-focus and cost in general strategies which the 10 (77%) indicated is because the cost reduction is not by quality improvement. There were three items that sought to identify the effectiveness of the selection process or method used. Twelve (92%) indicated that they select the right employees, implying that 1 (8%) do not select the right people. It also unveiled that most of the firms use practical test and interview. Few respondents indicated that they encounter some problems with these methods. With respect to performance appraisal, 7 (54%) of the respondents said they have appraisal method in place but 6 (46%) said they do not have any formal appraisal method. Filling of forms, observation, and practical test are the most appraisal method used by the selected three-hotels.

Four-star hotels: The only 4-star Hotel in Kumasi, Golden Tulip, has been in existence for only six months. However since it is a franchise for a mother hotel in Arab and a sister company of Golden Tulip Accra, everything is run the same. There were ten respondents from the various departments. In response to their competitive advantage and its sustainability they indicated that it is differentiation using the brand name of their mother company. All ten agreed that their competitive advantage is very difficult to imitate because they make sure that everything is of international standard. They admitted the brand is a part of a big chain of international standard hotels that does its operations in a unique way therefore it cannot be imitated. In response to whether they select the right employees for the job, all ten (10) said absolutely yes adding that they use interviews and practical or skill test to recruit staff. This allows them to employ experienced personnel who are further trained to suit their brand. As to whether they encounter problems in their selection process, they responded yes and said the problem is high level of unskilled hospitality material in the Ashanti region which compels them to go to Accra to select most skilled employees. All the ten respondents agreed that they have an effective performance appraisal method in place and that filling of forms by the employees, observation by supervisors and practical test are the methods used to assess performance of the employees adding that the performance appraisal methods are very useful. In response to how workers are motivated to increase or improve productivity, all the ten respondents said they have effective reward system in place and that it is very motivational. The company gives bonuses and packages monthly and yearly to the best employees. Respondents also indicated that the company has a training programme plan which include on the job training and internship system. The company looks for professional, competent and multi-skilled employees and for that matter employs a specialized trainer.

3.1.2. Interview Responses from the 10 hotels

The interview responses were presented using the scoring model calculation method. Two employees each from the ten hotels were assisted by the research team to choose from the criteria weighting 1-4 of each category. Then each score was multiplied by

the criterion weight and the result entered in the appropriate box (weight). Golden Tulip hotel had the least value of weight indicating the effective use of the selection criteria. Following closely is Rexma a three star hotel which had the second least value implying that the selection criteria is used effectively. Among the 2-star hotels, New Orleans is having the least value meaning it is doing well in the use of the selection criteria. The rest are above two, indicating that they are averagely effective in the selection criteria and that the need for improvement. Table 2 shows the selection criteria whereas Table 3 shows selection criteria categories

Creativity and innovation	3	(0.200)
Rate of absenteeism	2	(0.133)
Competencies and skills	1	(0.067)
Rate of discipline incidents	5	(0.333)
Qualifications	4	(0.267)

Table 2: Selection criteria

Selected Hotels	Creativity of absenteeism	Rate of absenteeism	Competences skill	Rate of discipline	Qualification	Weight
	0.200	0.133	0.067	0.333	0.267	Weight
Golden Tulip	1 (0.2)	1 (0.133)	1 (0.016)	2 (0.666)	1 (0.267)	1.333
Miklin	2 (0.4)	2 (0.266)	2 (0.134)	2 (0.666)	1 (0.267)	1.733
Georgia	2 (0.4)	2 (0.266)	2 (0.134)	3 (0.999)	1 (0.267)	2.066
Rexma	1 (0.2)	2 (0.266)	2 (0.134)	2 (0.666)	1 (0.267)	1.533
T. L	2 (0.4)	2 (0.266)	2 (0.134)	3 (0.999)	1 (0.267)	2.066
Mckeown	2 (0.4)	2 (0.266)	2 (0.134)	3 (0.999)	3 (0.801)	2.6
New Orleans	2 (0.4)	2 (0.266)	2 (0.134)	2 (0.666)	1 (0.267)	1.733
StadiumHotel	2 (0.4)	2 (0.266)	2 (0.134)	3 (0.999)	3 (0.801)	2.6
LizzyHotel	3 (0.6)	2 (0.266)	2 (0.134)	3 (0.999)	3 (0.801)	2.8
Sports Hotel	2 (0.4)	2 (0.266)	2 (0.134)	3 (0.999)	3 (0.801)	2.6

Table 3: Selection Criteria Categories

Source: Field Survey(2012)

3.1. 3 Performance, Reward and Development

The procedures used for selection was also used for performance, rewards and development evaluation. Except that different criteria and weights were used and the upper control limit (UCL) and the lower control limits (LCL) were calculated. The reason for calculating the UCL is to calculate a company's employee's performance weight; the score is multiplied by the criterion weight as shown in the table below;

Criteria	Weight
Commitment	0.0950
Productivity	0.475
Mistake	0.2380
Creativity and Innovation	0.1430
Rate of Discipline	0.1905
Rate of Absenteeism	0.2860

Table 4: Criteria and weight used,
Source: Scoring model (Jassim, 1998)

Hotel	Commitment	Productivity	Mistakes	Creativity & Innovation	Rate of Discipline Incident	Rate of Absenteeism	
	0.0950	0.0475	0.2380	0.1430	0.1905	0.2860	Weights
Golden Tulip	1 (0.0950)	2 (0.095)	2 (0.476)	1 (0.1430)	2 (0.381)	2 (0.572)	1.762
Milkin	2 (0.19)	2 (0.095)	2 (0.476)	2 (0.286)	2 (0.381)	2 (0.572)	2.000
Georgia	2 (0.19)	2 (0.095)	2 (0.476)	1 (0.1430)	2 (0.381)	3 (0.858)	2.13
Rexma	1 (0.0950)	2 (0.095)	2 (0.476)	2 (0.286)	2 (0.381)	2 (0.572)	1.905
Treasure Land	2 (0.19)	2 (0.095)	2 (0.476)	2 (0.286)	2 (0.381)	3 (0.858)	2.286
New Orleans	2 (0.19)	2 (0.095)	2 (0.476)	2 (0.286)	2 (0.381)	3 (0.858)	2.286
Stadium Hotel	3 (0.285)	2 (0.095)	2 (0.476)	2 (0.286)	3(0.5715)	3 (0.858)	2.4765
McKeown	3 (0.285)	2 (0.095)	2 (0.476)	2 (0.286)	3(0.5715)	3 (0.858)	2.7795
Lizzy Hotel	3 (0.285)	2 (0.095)	2 (0.476)	2 (0.286)	3(0.5715)	3 (0.858)	2.7795
Sports Hotel	1 (0.950)	2 (0.095)	2 (0.476)	2 (0.286)	2 (0.381)	2 (0.572)	2.143

Table 5: Calculating the performance, reward and development rate for each hotel ,Source: Field survey (2012)

LCL (Lower Control Limit)	Lowest Score x Criteria Weight
Commitment	1 x 0.950
Productivity	1 x 0.0475
Mistakes	1 x 0.2380
Creativity and Innovation	1 x 0.1430
Rate of Absenteeism	1 x 0.1905
Rate of discipline incidents	1 x 0.2860
TOTAL	1.0

Table 6: Calculating for the lower control limit, Source: Field survey (2012)

Golden Tulip hotel, the only four star hotel in Kumasi had the lowest weighted value which implies that it had the most effective performance, reward and development system, hence falls in the reward zone. The next is Rexma which also falls in the reward zone. This indicates that their reward, performance appraisal and development systems are most effective as compared to the rest of the hotels. Since all the rest of the hotels exceed weighted value 2, they all fall within the average zone. The implication is that their reward, performance appraisal and development systems are less effective. The result is shown in Figure 4.

UCL (Upper Control Limit)	Highest Score X Criteria Weight
Commitment	4 x 0.950 = 0.3800
Productivity	3 x 0.0475 = 0.1425
Mistakes	4 x 0.2380 = 0.9520
Creativity and Innovation	4 x 0.1430 = 0.5720
Rate of Absenteeism	4 x 0.1950 = 1.7620
Rate of discipline incidents	4 x 0.0860 = 1.1440
TOTAL	3.953

Table 7: Calculating for the upper control limit ,Source: Field survey (2012)

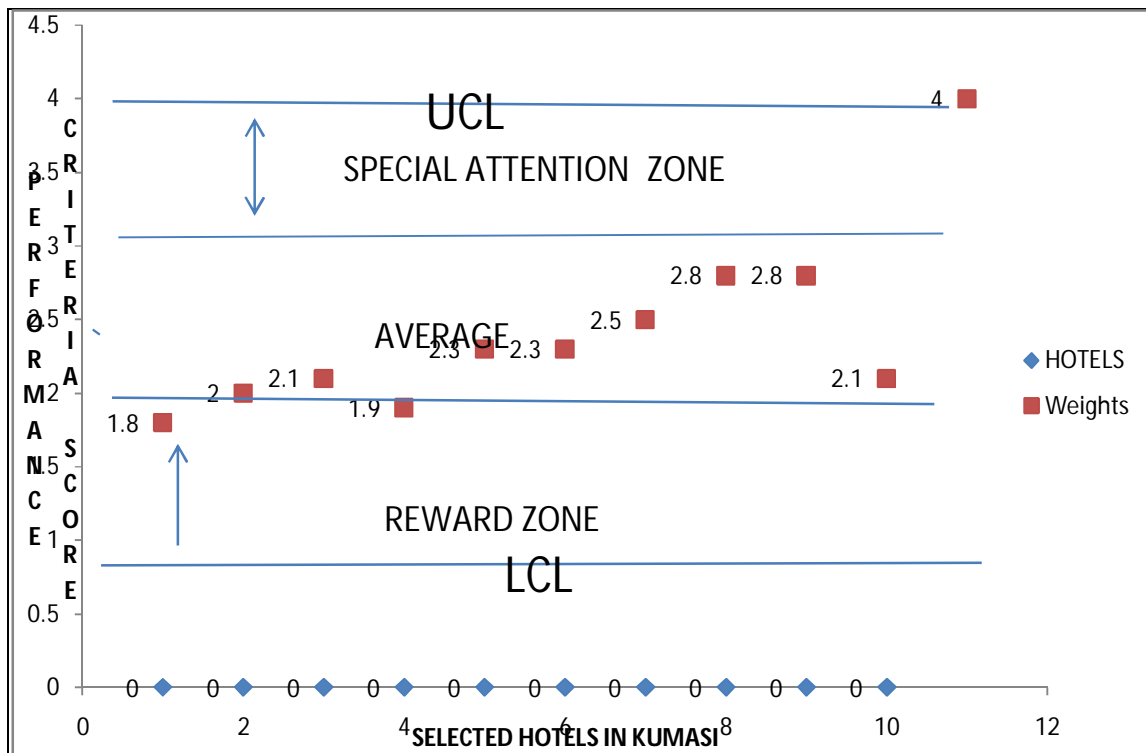


Figure 4: The relationship between the hotels and performance criteria, Source: Field work (2012)

3.2. Discussion of findings

3.2.1. The Nature of Competitive Advantage of Hotels in Kumasi

It could be deduced from the findings that the competitive advantage of the 1-Star to 3-Star hotels is mainly in cost focus strategy and cost in general strategy. This indicates that most of the hotels which have not reached 4-Star rating are cost leadership minded. But under cost leadership, a core competence is likely to allow a company to produce a product or service at a lower cost more than its competitors (Neale et al, 2004). However, observable evidence from the 1-Star to 3-Star hotels studied revealed that such hotels do not have specific core competence which can enable them to achieve this cost leadership strategy. Even those hotels which are trying their best to achieve the cost leadership strategy just recruit low caliber of labour with little training as reflected in the outcome of the selection criteria and reward, performance, and development module. The research team agrees with Forte (1982) that this might not be effective because hotel business is a service business, and as service is inseparable from the service provider, recruiting and developing the right caliber of staff is vital to competitive advantage. Somebody may be tempted to say that by employing low caliber of labour with little training the cost of service can be minimized, hence achieving cost leadership if the cost is the lowest in the industry. This might not hold since the effectiveness of cost leadership strategy depends on the efficiency and effectiveness of the cost reduction and the price sensitivity of the target market (Johnson et al, 2008).

It needs to be pointed here that although, most of the hotels indicated that they employ the right qualified staff the face-to-face interview did not confirm it because of the high labour turnover that the industry (Kumasi sector) experiences. Reasoning with Maund (2001), the research team establishes that right staffs are those well trained staff that the company can retain for a relatively necessary period. In this sense if there is high labour turnover, selection and training cost will be ineffectively spent. This means that a mere reduction in cost to the lowest level in an industry does not guarantee cost leadership. With respect to efficiency and effectiveness of the cost reduction, one may think of experience curves and the benefit of economies of scale as discussed by William et al, (2001). Even with this, the researcher realized that some of the 2-Star and 3-Star hotels have been in operation for quite a long time but the benefits of the experience curve and economies of scale are not being realized by these hotels because of labour turnover problem. In service business, the delivery process counts a lot because the higher the speed of the process the lower the cost as more customers may be served. Here too the experience or effectiveness of the staff matters so much in that the service provider (staff) plays greater role in the service delivery process. It can therefore be pointed here that selecting and developing the right caliber of staff can assist hotels in Kumasi to enhance their attempt to achieve cost leadership strategy.

This notwithstanding, the study found that few hotels make use of differentiation as their competitive strategy. But the most successful ones were the high class hotels (that is 3-Star and 4-Star ones) due to their unique core competence which is hard to imitate. This supports the statement that the most appealing type of differentiation strategies are those least subject to quick or inexpensive imitation (Thompson et al, 1993). It was uncovered that brand differentiation strategy is more successful type of differentiation, and that the ones using this strategy go about their activities based on their brand image. As a result, employees

were found to play a vital role in the strategy. Golden Tulip for instance indicated the fact that they go about their selection criteria, and training and development in such a way that they can obtain qualified employees to match their internationally expensive brand in Kumasi. This buttresses the view of Wright et al (1994) that selecting and training right caliber of employee contributes to effective differentiation strategy building. The whole idea is reinforced by the fact that if target market sees little value in uniqueness of the differentiating features, a low cost strategy can easily defeat differentiation strategy (Thompson et al, 1993). The effect of this is that if the employees, who are known to be one of the tangible aspects of service product, do not perform to match the uniqueness of the differentiation strategy in the eyes of customers; the strategy will turn to be ineffective. Employing high caliber of employees to support effective differentiation strategy is very expensive but a successful differentiation allows a firm to command premium price for its products and or sell more units (because additional buyers are over by the differentiating features), and or gain greater buyer loyalty to its brand because some buyers are strongly attracted to the differentiating features (Thompson et al, 1993).

As touching the sustainability of the competitive advantage of the hotel companies in Kumasi, the study observes and posit the following: firstly, it appears that those using differentiation as their competitive strategy stands at the better chance to sustain their competitive strategy when the employee factor is considered. The reason is that the high labour turnover appears to affect those hotels which aim at cost leadership strategy, and that achieving sustainable cost leadership advantage through employees is not effective as achieving differentiation by employees. All this stems from the fact that a company has to build barriers to entry around its competitive advantage to make it sustainable (Neale et al, 2004). That is, by training and developing the right staff to build skills and knowledge, coupled with good reward system; employee are likely to become loyal to the company, hence achieving improved labour turnover situation.

3.2.2. The Generic Function and The Competitive Advantage of The Hotels in Kumasi

At this stage, the study tried to integrate the generic functions of human resource management and competitive advantage of the hotels in Kumasi to ascertain which of the generic functions actually have greater impact on the competitive advantage of the hotel companies in Kumasi. It is clear from the theoretical and primary data presentation that the generic functions are grouped into two, namely selection, and reward, performance and development. The Selection criteria module revealed that as a hotel company rises through the Star ladder the effectiveness of its selection criteria improves. But in the case of reward, performance and development module, it was unveiled that the reward, performance and development system of the hotels contacted were averagely effective except the 4-Star one(s) which was identified in the rewarding zone indicating a strongly effective system.

With respect to competitive advantage, almost all the 1-Star to 3-Star hotels which were contacted were cost leadership minded while the 4-Star hotel(s) and few others from 3-star implement differentiation strategy. But the analysis of these two competitive strategies revealed that the implementation of differentiation strategy through employees is more effective than cost leadership through employee due to high labour turnover. It could be inferred from literature and the field research that the reward, performance and development system actually contributes immensely to sustainable competitive advantage in the hotel market in Kumasi because the level of a hotel's labour turnover rate is determined by the effectiveness of that hotel's employees' reward, performance and development system. So in effect, one can say that its employees' training and rewarding assists in the phase of sustainable competitive advantage. The reward systems which most of the hotel companies' use is financial but altogether, they are extrinsic in nature and this supports the view of DeCenzo et al,(2002) that extrinsic reward continues to be considered a major influence on employees' performance, and viewed as independent of the intrinsic rewards that employees obtain from the work itself. As a result, the study confirms that the effectiveness of a reward system being implemented depends on certain qualities which boil down to effective standardized reward system as propounded by Decenzo et al, (2002). Such reward system appeals to both the company and its employees, and this could also explain why the hotels that are able to sustain their differentiation strategy were those who have well-structured training and reward system. It can be established that reward, performance and development system makes competitive advantage more successful for hotels in Kumasi and this buttresses Armstrong et al, (1999) opinion that if a firm is to be successful it must develop its employees. It could be deduced from the forgoing discussion that although selecting the right employees matters a lot, it is the hotel's responsibility to retain them and for that matter effective reward, performance and development system is really vital to building a sustainable competitive advantage in Kumasi.

4. Conclusions and Recommendations

The study revealed that the four star hotel makes effective use of the generic function more than the other star hotels. It was clear that the higher the star rating the more effective the selection, appraisal, reward and development criteria used. Respondents indicated that, employee easily become swollen headed rather than motivated when appreciated, but this is not so in the four star hotel where everything is planned and executed orderly by a human resource manager. With regard to competitive advantage, it was revealed that some of the hotels barely understand what competitive advantage is. To them so far as they can get a few customers that is alright. It was also realized that in the lower star hotels one employee can play so many functions. In some of the hotels the manager is the accountant, the human resource manager, housekeeper and almost everything. It was evident that some of the hotels do not invest in training to meet the standard of the hospitality industry. This was clear in one of the three star hotels where a manager confided that the director does not allow him to do his work and that most of the workers are untrained family members. This explains why the standard board had to demote some of them from time to time. Again, most of the hotels which are below 4-star are cost leadership minded but are without specific core competence.

Theoretical evidence of the study had proven that quality of the employee one major factor that can set an organization apart from its competitors especially in the hospitality industry. This is true because the patronage of the service industry depends on trust in the service provider which is customer service and customer care. In other words, in the competitive environment people make the

difference. The study therefore emphasizes that, using human resource as a competitive advantage in the hotels in Kumasi is a need which managers cannot ignore and therefore recommends that managers should consider the long term benefit and recruit and develop the right caliber of staff which is vital to competitive advantage. Again the 1-star to 3-star hotels should find a specific core competence which could enable them to achieve real cost leadership strategy with much concentration on employee development. Although supporting effective differentiation strategy by employing high caliber of employee is quite expensive, evidence of the study shows that successful differentiation commands a high premium price for its products and is recommended to the hotels in Kumasi invest in it.

The research also revealed that training and developing the right employee enables a firm to build sustainable competitive advantage. It is therefore recommended that the companies build barriers to entry around their competitive advantage by training and development of staff coupled with good reward system to improve their labour turnover situation.

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