

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Investigation of the Operational Challenges Experienced by Hotels in Kakamega County

Anne Mute Willy

Master Student, Jomo Kenyatta University of Agriculture and Technology, Kakamega campus, Kenya

Dr. Chege Kimani

Lecturer, School of Human Resource and Development

Jomo Kenyatta University of Agriculture and Technology, Kakamega campus, Kenya

Dr. Douglas Musiega

Director, Jomo Kenyatta University of Agriculture and Technology, Kakamega campus, Kenya

Abstract:

The main aim of the study was to investigate the operational challenges experienced by hotels in the Kakamega County. The study sought to determine the effects of skills shortage on Performance and output in the hotel industry, to establish the effects of inadequate technologies on Performance and output in the hotel industry, to determine the effects of Changing Demographics on Performance and output in the hotel industry and to establish the effects of Human resource issues on Performance and output in the hotel industry. The study employed a descriptive survey research design to achieve the objectives of the study. The study population was employees in various hotels in Kakamega County. The study targeted 100 employees through purposive sampling technique at the senior management staff, middle management staff, chefs, cooks and waiters, accountants and operations staff. The study used structured questionnaires to collect primary data from the respondents. The study found out that skills, inadequate technologies, changing demographics and human resource issues are the operational challenges experienced by hotels in the Kakamega County. The study recommends that in order to increase their competitive advantage, there is need for hotel investors to adopt newer technologies for building and construction of modern facilities. The investors and the management should be aware of the changing demographics, changing government regulations and customer exceptions as being aware of these variables can help them determine changes in supply and demand and identify potentially false trends in the industry. In order to encourage more investors in the hotel industry, institutional policies such as licensing, registration requirement, product standards and certification and infrastructure policies, including utility development and land policies should be streamlined and centralized to encourage more investors. To accelerate sales hotels should make use of appropriate marketing tools such as employing management consultants. Hotels should work towards giving their available customers the best of services while taking negative customer responses positively to help improve their services.

Key words: *Operational Challenges, Performance and Output, Demographics, Human Resource*

1. Introduction

Operational issues and challenges have been found to be critical to the success and survival of businesses. According to Wong (2004), the various departments that hotels do experience operational challenges range from the front office, housekeeping, restaurant, bar entertainment to the marketing and research department.

In the Day Inn, a research showed that the management emphasized on enhancing smooth operations of the hotel enlightening on the fact that most of the operational challenges experienced in hotels include: Shortage of skilled manpower, Changes in the demographics, technological advancements, the human resources, as well as planning and management issues. According to Bently (2005), senior manager in the Deloitte, operational challenges in hotels result if the human resources do not provide employees with the right working environments in the manner of career advancements, training, voicing their rights and so forth. This indeed implies that employees in hotel properties are provided with the right working conditions and their welfare emphasized, some of these challenges won't be there.

A study by Cobanoglu (2007), found out that in most of the newly emerging hotels in Australia, operational challenges were as a result of technological issues. He asserted that due to failure of addressing technological needs, operational challenges were experienced by both the employees and the management. His study found out that technology was important for increasing employee efficiency in their operations. Moreover Seventy-one percent of his respondents considered that their existing

technologies have significantly contributed to generating revenue during the last five years. Hence the adoption of modern technology is one of the ways which can help solve the problems associated with operational challenges in hotels. In conducting this study, the researcher strongly believes that if operational challenges experienced in hotels in the Kakamega County were identified, then solving them would be an easy task and that will enable to reduce their impacts on the performance of hotels.

1.1. Statement of the Problem

Various businesses have various challenges that threaten their survival and hotel industry is no exception. These challenges are from diverse sources and understanding the better so that remedial action can be taken. Hotels are referred to as service industries whose products and services have the characteristics of intangibility, inseparability, perishability and heterogeneity and as result they pose challenges which must be addressed. Due to this fact, it is very important to get to understand that operational challenges are not the only drawbacks that hospitality establishments have to overcome. However, unlike service delivery challenges which are sometimes beyond control, operational challenges can be solved at least with ease if identified, and this minimizes the numeracy of the challenges that these service establishments have to contend with.

Policies and other problem solving strategies can be implemented if particular challenges are understood. Therefore this study mainly focused on identifying the operational challenges that hotels in Kakamega County are experiencing, after which their impacts on the hotels' performance can be known leading to devising of credible plans or strategies of solving the challenges.

1.2. Research Objectives

The main aim of the study was to investigate the operational challenges experienced by hotels in the Kakamega County.

1.2.1. Specific objectives

The study will be guided by the following specific research objectives:

- To establish the effects of inadequate technologies on Performance and output in the hotel industry
- To determine the effects of Changing Demographics on Performance and output in the hotel industry
- To establish the effects of Human resource issues on Performance and output in the hotel industry

1.3. Research Questions

- What are the effects of Changing Demographics on Performance and output in the hotel industry?
- What are the effects of Human resource issues on Performance and output in the hotel industry?
- What are the possible ways of solving operational challenges experienced by hotels in Kakamega County?

2. Literature Review

Most of the hotels in the Kakamega County are either Limited service hotels or new emerging enterprises. Therefore the literature is based on limited service hotels standard or below, though operational challenges of hotels do cut across all standards.

The current definition of a limited service hotel is simply a hotel that 'Omits' conventional full service facilities and services such as meeting rooms, swimming pools, business centers and gyms. Customers self-serve and book rooms online at their convenience. Just like any other enterprises, hotel management does face a lot of operational challenges. These range from labor costs, shortage of skills change of demographics, modern technologies, manpower problems to numerous other factors. This chapter will explore in depth of these and more challenges that hotels do experience operation-wise.

2.1. Related Literature

Demand patterns: Emerging markets and Demographics

2.1.1. Emerging markets

In the recent past, various hotel establishments have emerged in places where old establishments existed as well as new other places. According to Deloitte's Global Tourism, Hospitality and Leisure Report 2010, the emergence of new establishments and new markets have risen to be a major operational challenge in hotels due to the fact that factors of competition have arisen. This has resulted in the decrease in income of some hotels as they have lost their customers to their competitors. Decreases in customers have made the establishments to have more input while realizing small output in terms of profit realization. According to the report, in some other cases, breakeven point has been reached where despite hard labor no returns are realized. Deloitte's Global Tourism, Hospitality and leisure report indicates that the rise of middle classes will drive significant demand for both leisure and business hospitality.

The greatest potential in these markets will lie in developing mid-market and economy- branded products aimed at the domestic traveler.

2.1.2. Demographics

Changing demographics are setting the patterns of demand of hotel products and services. According to Kyriakidis (2010), in the west, the ageing baby boomer population and the emerging middle classes of China and India are two demographics who will drive the demand especially in the US.

Kyriakidis (2010) asserts that hospitality operators who understand the drives and needs of these growing demographics will reap the rewards and become the future leaders in the industry.

By 2015, US boomers are forecasted to account for 60 percent of the nation's wealth and 40 percent of spending. In the United States, baby boomers will drive growth in hospitality in the leisure sector. The key to attracting boomers is appealing to their 'forever young' attitude and desire for experiential travel.

The middle classes of China and India will also create ripples of change far into the future as their travel patterns evolve from domestic to regional to international. India alone is forecasted to have 50 million outbound tourists by 2020.

It's important to understand that with new demographics, consumption patterns also change. Failure of a hotel to change to get accustomed to the new demand patterns will be a risky of getting out of business. Depending on the respond of the hotel business, this will determine whether the operational costs go high or lower. Where the demographics do not change their consumption requirements, the hotel do not suffer lots of costs. However it's important for the hotel industry to change with the changing demand patterns of various demographics and this will ensure that the operational costs of the establishments are not much affected only a slight adjustment and then the rest goes on well.

2.1.3. Lack of planning

This is one other factor that is causing a lot of havoc as far as operations of hotels are concerned. A recent study showed that most of the hotel businesses do not have formal business plans before start up. The research showed that half of small or limited service hotel owners did not have formal business plans prior to going into business. Many hotel owners according to the study, engage in formal planning soon after starting up while a third are said not have had a thought of having business plans even after start-up.

According to Holt (2009), failure to have a business plan for any form of establishment is prone to failure. Besides failure, this kind of establishment brings about lots of operational challenges in that the owner do not know whether the product he or she is offering is suitable to the area, the demand patterns and market trends are not know hence there is high charges of business failure due to competition and unsuitability of products offered.

Planning has various dimensions as far as hotel establishments are concerned. There is planning for manpower, location of enterprise, financial sources to develop the enterprises and many more. Due to lack of planning, according to Dun and Bradstreet (2009), operational issues such as mismanagement of the enterprise do result. This due to unplanned employees as ways to recruit employees with sufficient skills were not planned for. A likely feature is whereby the manpower will be unable to control planning costs, performing marketing functions and various aspects of running an enterprise. The operation of the business will be a challenge and the end result may be business closure.

2.1.4. Technology

Modern hotels are using modern technological advancements in their operations. A hotel without adoption of these technologies is prone to have a lot of difficulties in the executing its operations. According to a report by the National Federation of Modern Businesses (NFMB), technology has eased the most of the difficult tasks of manual labor. An example of this is where instead of manual record keeping computers are being used to store data.

A hotel using technologies have fewer labor costs as compared to the one using manual methods. As well, clients are preferring hotels where services are being automated. Without the online reservations system, the hotel would require a lot of input to have customers, while by having websites alone that is a way of marketing the enterprise besides receiving requests for reservations from the customers.

Today hotel establishments must adopt modern technologies if they will be sustainable and have their operations run smoothly. IT has significantly changed the way the lodging industry plans, controls and manages operations. For example, the hotel industry is beginning to utilize kiosks and other self-service technologies. Use of self-service technologies in the hotel industry has grown considerably, especially in the areas of self-check-in, in-room check-out, and foodservice kiosks Kasavana, (2005). Between 2005 and 2006, managers' belief in the importance of kiosks for their business increased by 8%, Carlin, (2006). Hotel managers have come to expect benefits from this technology in the form of enhanced customer services and operational efficiency. Wireless technologies have also experienced an unprecedented growth despite the rising concerns about security issues. Some of the most significant IT applications involve the use of mobile handheld devices, such as personal digital assistants (PDA), tablet PCs, and cellular phones. Additionally, one of the most common wireless technologies impacting the hotel industry is Wi-Fi. This allows hotel customers to access the Internet from a bar, restaurant, lobby or guest room Bentley, 2005. Gartner Group reported that hotels remained the leading Wi-Fi hotspot locations in the world with more than 60,000 sites Boehmer, (2005). Scholars expected that by 2007 wireless technology and related applications would be ubiquitous and would impact hotel service delivery, cost containment, and the overall customer experience (Singh & Kasavana, 2005). In order to offer a variety of payment options, some hotel managers have adopted cashless payment systems via the use of radio frequency identification (RFID). RFID utilizes computer chips and antennas, allowing the chips to wirelessly communicate with a receiver. In the hotel industry RFID systems are being integrated with POS systems to process credit card and debit account transactions (Kasavana, 2004). Some hospitality companies even accept biometrics, such as fingerprints, iris scans, facial scans or hand geometry analysis systems to increase physical or data security.

The area of in-room entertainment has seen dramatic improvements in recent years. This is in no small way attributed to the rapid growth of consumer technology. Not so long ago the level of in-room entertainment options in hotels was limited. In the past, most guests were willing to accept this because entertainment options themselves were limited. However, today's consumers have multiple entertainment options at their finger tips. Many hotel guests have come to think of their hotel room as a home away from home (Paret, 2004). As such they expect hotels to offer at least the same level of options for entertainment as they have at their homes. This increasing level of guest expectations has brought about a surge of methods for integrating consumer entertainment

technologies into hotel rooms (Beldona & Cobanoglu, 2007). As such the number of technological devices being utilized in hotels rooms for guest entertainment is becoming increasingly diverse.

Based upon the multiplicity of IT applications utilized in the hotel industry it would be beneficial to be aware of the level of knowledge and understanding hotel operators have of these applications. It would also be of benefit to be able to determine areas in which hotel operators believe IT is meeting the operators' expectations and the areas where it needs improvement.

2.1.5. Crisis Management

According to Kotler (2010), the key to the hospitality industry's survival of unpredictable shocks and minimizing their impact is to establish appropriate responses, protocols and risk management programs. Operators also need to capitalize on new opportunities that may present themselves in challenging times.

It is important for hotel business to allocate sufficient time in the job place. This is crucial for new established hotels (so that they may catch up) as well as in already established properties. This is where certain properties need to put in place so as to ensure smooth hotel operations and in the same time ensuring good working conditions. For example, because an hotel does not have a 24 hour front desk, if someone were to try and book a last-minute room after the office is closed they wouldn't get very far before running into some major hurdles. Having management handle these bookings, as well as any check-ins that arrive after the office is closed, can be both stressful and costly. So hotels should try to implement new services to try and provide better around-the-clock service to our guests.

The first is the installation of an automated Check-In booth at our main entrance. This will allow last-minute travelers to book, pay for, and get access to a room at any time of the day. The benefits are obvious; the risks are a bit more ethereal. It's a little impersonal, and no machine will be able to handle all of the routine problems that tend to crop up. So, to handle the latter we will be employing an excellent call centre, to handle the late night issues. The idea is to improve the quality of service during our 'off' hours while at the same time keeping the personal touches and sense of style that's helped to make the hotel as popular as it would be.

Diligently monitoring the guest feedback to make sure everything is working the way the hotel would like it to be is also an important tool to ensure that customer requests are being met in time and to enhance customer satisfaction.

2.1.6. Human Resources

Human resources are an area that is growing in importance. According to David (2010), for ease of operations in the hotel industry, hotels need to focus on its employees and their roles as service providers. Increasing demand requires increased staffing levels at a time when the labor pool is shrinking. The industry is one that is faced severe shortage of skilled manpower. To address this issue, the industry must attempt to work with the unions as allies. This will ensure that employee rights are voiced as a satisfied employee is easy to work with and at no operational pressure. Bearing in mind that in service industries such as the hotel and hospitality sector customers demand for quality and would want to find the value for the money, If their wishes or rather rights are not met, complaints are likely to arise causing working unbearable. This calls for devotion of more time and money to recruitment and training of employees. Trained manpower work at ease, enhancing efficiency in the workplace as they know what is required of them in terms of job description and have the necessary skills to perform their duties effectively giving quality to customers, end result being client satisfaction encouraging repeat visits.

2.2. The Conceptual framework

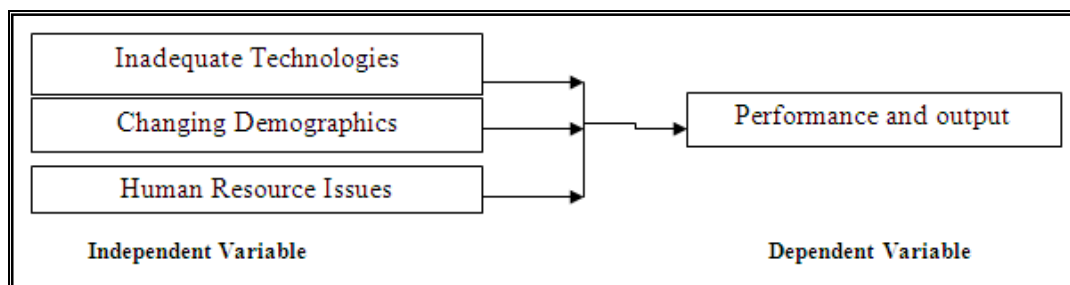


Figure 2.1: The Conceptual framework
Author (2014)

3. Methodology

3.1. Research Design

In order to meet the required goals of the research study, the researcher applied a descriptive research design. This design was chosen upon because the researcher aims to build a profile about the operational challenges experienced by hotels in the Kakamega County. The descriptive research design is preferred in this study because it allows for analysis of different variables at the same time and thus will enable the researcher identify the operational challenges experienced by hotels in the Kakamega County.

3.2. Target Population

This study targeted both the management of hotels as well as employees in various hotels in Kakamega County. The target population consisted of 100 employees. The senior management staff comprised of highly qualified and experienced staff that head all divisions in the major hotels and restaurants who make the firm's decisions, while the middle management staff comprised departmental heads and business managers. Other staffs people who do the supportive work for the organizations and they included the chefs and cooks, waiters, accountants and the operations team.

Categories of population units	Target	Sample Percentage (%)
Senior Management staff	20	20
Middle management Staff	36	36
Chefs, cooks and waiters	20	20
Accountants	12	12
Operations staff	12	12
TOTAL	100	100

Table 3.1 Target population

Source: Author (2014)

3.3. Sampling techniques

The participants in this study were managers and employees in the various hotels that the researcher will select, who have the experience and who have been in the hotel and hospitality industry for quite some time i.e. at least 5 years thus have the knowledge of the operational challenges that hotel establishments do experience. The technique that was used for this study was "purposive sampling technique", a technique that is understood as the process of choosing respondents, based on specific features identified as selection criteria for the target population. Participants had to meet all the criteria in order to be selected.

To reduce duplication of data, the study used purposive sampling technique to select four respondents from each organization. These included the senior management staff, middle management staff, chefs, cooks and waiters, accountants and operations staff. The researcher picked on this method because of these selected respondents' responsibility in the hotels. These brought the sample size to 100 respondents.

3.4. Data collection instruments

With respect to conveniences, complexity and cost and also the nature of the study, the research instrument used during the study were well structured questionnaires.

Questionnaires presented to both the managers and employees in selected hotels in the Kakamega County were used to determine the operational challenges that they seen and experienced in their daily running of the enterprises and also to find out the various impacts that these challenges do have on the performance of the hotel properties. They were used to provide different solvable solutions to the operational challenges in order to enhance smooth running of the hotel operations.

3.5. Data Collection Procedure

Primary data was collected for this study. Primary data was collected by administering a semi-structured questionnaire, which was collected through drop and pick methods.

3.6. Data Analysis methods

The study employed descriptive statistics to analyze the data obtained. Descriptive statistics involves the collection, organization and analysis of all data relating to some population or sample under study.

For quantitative data analysis and processing, Kumar (2005) prescribes the following steps: data editing to ensure that the data is free from inconsistencies and any incompleteness. After cleaning, the data is coded. Coding of data follows the following steps: developing a code book, pre-testing code book, coding the data and verifying the coded data. Once the data was coded, selection of a few instruments and recording the responses to identify any discrepancies in coding and finally content analysis which was the process used for analyzing qualitative data.

According to Breakwell (2006) descriptive research design is commonly represented by use of frequency charts, bar graphs, and pie charts to tabulate the information gathered appropriately. Statistical Package for Social Sciences (SPSS) was used to analyze the data. This package is known for its efficiency and ability to handle large amounts of data.

4. Data Analysis and Interpretation

4.1. Respondents' Demographic Characteristics

4.1.1. Response Rate

The study targeted 100 respondents in collecting data. 98 out of the 100 target respondents filled in and returned the questionnaire resulting in a 98% response rate. These are shown in Table 4.1 and this response rate was considered acceptable.

Response Rate	Frequency	Percentage
Responded	98	98.0
Not responded	2	2.0
Total	100	100.0

Table 4.1 Response Rate

Source: Author (2014)

4.1.2. Respondents Position

This study targeted responses from the senior level managements of the companies since it is perceived to have the most up to date information which guides them in decision making and policy formulation. The results are shown in Table 4.2

Categories of Population units	Target	Sample Percentage (%)
Senior Management staff	20	20.41
Middle management Staff	36	36.73
Chefs, cooks and waiters	20	20.41
Accountants	10	10.20
Operations staff	12	12.24
TOTAL	98	100

Table 4.2 Respondents' Position

Source: Author (2014)

Twenty percent of the respondents were senior officers whereas 36% were assistant managers. The study also managed to get the views of 20 chefs, cooks and waiters and 22 accountants and operational staff. This shows that responses received can be considered credible.

4.1.3. Gender Representation

The study sought to determine the gender of the respondents. The results are shown in Table 4.3

	Frequency	Percent
Male	32	33%
Female	66	67%
Total	98	100%

Table 4.3 Gender Representation of the Respondents

Source: Author (2014)

The findings indicate that most of the respondents (67%) were female while 33% were male. This indicates that there was no gender biasness and hence the researcher ensured that there was gender equality. Though the big margin, there was a clear indication that both genders were given a more like equal opportunities to give their opinions concerning the operational challenges facing the hotel industry in Kakamega county.

4.2. Respondents Skills

The study sought to find out the skills of the respondents. The results are shown in Table 4.4.

	Frequency	Percent
Secondary level	31	32%
Undergraduate	47	48%
Post graduate	8	8%
Technical/professional	12	12%
Total	98	100%

Table 4.4 Educational level of respondents

Source: Author (2014)

The findings indicate that that 32% of the respondents had a secondary level education while 48% of the respondents had an undergraduate education level. 8% had a postgraduate level while 12% also had technical level.

4.3. Use of Technology in the Hotel Industry

The study sought to find out the use of technology in the hotel industry. The findings established that 48% of the individuals use the current technology in the market to prepare food and also aid in their daily operations while the second largest group of individuals 36% use relatively old technological methods of preparing and cooking food. Sadly, 16% indicated that they have not embraced any technology in their operations which makes it hard for them to deliver quality and expected value to their clients.

4.4. Changing Demographics

48% of the clients according to the respondents are young people between the age of 28 years and 39 years, others 28% are between the age of 40 years and 55 years, 16% are between the age of 18 years and 27 years and the other 8% are old people ranging between 56 years and 70 years. This was a clear indication that most individuals who seek catering, hotel and accommodation services are young people between the age of 28 years and 36 years.

4.5. Human Resource Issues

The study showed clearly that 40% of the respondents are motivated by the amount of their salaries and wages, whereas 32% of the respondents use was motivated by passion for what they do and their relationships with their colleagues and customers at work. 28% of the respondents also said that they are motivated by clearly defined roles and responsibilities, support by the business during hard times such when unable to pay their children school fees. Where Individual issues in a hotel are handled by a specific officer it was evident that employees are happy and would want to work for longer in the same place. Contented employees contribute greatly to the increased efficiency and effectiveness in the operations of a hotel.

4.6. Working Hours

4.6.1 Total Average Working Hours in a Day

The study sought to determine the total average working hours in a day. The results are shown in Table 4.5

	Frequency	Percent
Less than 8 hours	7	7.1
8 hours	6	6.1
More than 8 hours	85	86.7
Total	98	100%

Table 4.5 Total Average Working Hours in a Day
Source: Author (2014)

The findings indicate that most of the respondents (86.7%) indicated that the total average working hours in a day were more than 8 hours, 7.1% indicated it was less than 8 hours while 6.1% indicated it was 8 hours. This indicates that the hotels had total average working hours in a day were more than 8 hours.

4.6.2. Number of Hours Are You Required To Work in a Day

The study sought to determine the number of hours required to work in a day. The results are shown in Table 4.6

	Frequency	Percent
6 hours	6	6.1
8 hours	20	20.4
12 hours	55	56.1
More than 12hours	17	17.3
Total	98	100%

Table 4.6 Number of Hours Are You Required To Work In A Day
Source: Author (2014)

The findings indicate that most of the respondents (56.1%) indicated that the number of hours they are required to work in a day is 12 hours, 20.4% indicated it was 8 hours, 17.3% indicated it was more than 12 hours while 6.1% indicated it was 6 hours. This indicates that most of the respondents were required to work for more than 12 hours in a day.

4.6.3. Productivity Due to Long Working Hours

When I work long hours, my productivity is low.

The study sought to determine the productivity of the respondents when they work long hours. The results are shown in Table 4.7

	Frequency	Percent
Strongly agree	67	68.4
Agree	11	11.2
Neutral	12	12.2
Disagree	8	8.2
Total	98	100.0

*Table 4.7 Productivity Due to Long Working Hours
Source: Author (2014)*

The findings indicate that that most of the respondents (68%) strongly agreed that their productivity is low when they work long hours, 12.2% were neutral, 11.2% agreed while 8.2% disagreed. This indicates that the hotel staffs productivity is low when they work long hours.

4.6.4. Presence of Breaks during the Day

The study sought to determine if the respondents take breaks during the day. The results are shown in Table 4.8

	Frequency	Percent
Yes	77	78.6
No	21	21.4
Total	98	100.0

*Table 4.8 Presence of Breaks During the Day
Source: Author (2014)*

The findings indicate that most of the respondents (78.6%) agreed that they take breaks during the day while 21.4% indicated that they do not take breaks during the day. This indicates that the hotel staffs take breaks during the day.

4.6.5. Rating of Routine of Taking Annual Leave

How would you rate your routine of taking annual leave?

The study sought to determine how the respondents rate their routine of taking annual leave. The results are shown in Table 4.9

	Frequency	Percent
Very poor	7	7.1
Poor	47	48.0
Neutral	19	19.4
Good	13	13.3
Very good	12	12.2
Total	98	100.0

*Table 4.9 Rating of Routine of Taking Annual Leave
Source: Author (2014)*

The findings indicate that most of the respondents (48%) rated their routine of taking annual leave as poor, 19.4% were neutral, 13.3% rated it as good, 12.2% rated it as very good while 7.1% rated it as very poor. This indicated that the hotel staff rated their routine of taking annual leave as poor.

4.6.6. Official Matters While on Leave

While on leave do you engage in official matters?

The study sought to determine if the respondents engaged in official matters while on leave. The results are shown in Table 4.10

	Frequency	Percent
Yes	7	7.1
No	91	92.9
Total	98	100.0

*Table 4.10 Official Matters While on Leave
Source: Author (2014)*

The findings indicate that the majority of the respondents (92.9%) indicated that they did not engage in official matters while on leave while 7.1% indicated that they engaged in official matters while on leave. This indicates that the hotel staff did not engage in official matters while on leave.

4.6.7. Importance of the Annual Leave In Reference To Performance

The study sought to determine how important the annual leave is to the respondents in reference to their performance. The results are shown in Table 4.11

	Frequency	Percent
Very unimportant	7	7.1
Unimportant	12	12.2
Don't know	19	19.4
Important	14	14.3
Very important	46	46.9
Total	98	100.0

Table 4.11 Importance of the Annual Leave In Reference To Performance

Source: Author (2014)

The findings indicate that most of the respondents (46.9%) indicated that the annual leave was very important to the respondents in reference to their performance, 14.3% indicated it was important, 19.4% indicated they didn't know, 12.2% indicated it was unimportant while 7.1% indicated it was very unimportant. This indicates that the annual leave was very important to the hotel staff in reference to their performance

4.7. Changing Business Operations

4.7.1. Change of Products in the Industry

The study sought to determine how often products in the industry change. The results are shown in Table 4.12

	Frequency	Percent
Above 3 years	67	68.4
1 year	14	14.3
6 months	8	8.2
1 month	9	9.2
Total	98	100.0

Table 4.12 Change of Products in the Industry

Source: Author (2014)

The findings indicate that most of the respondents (68.4%) indicated that the products in the industry change in about every 3 years, 14.3% indicated about 1 year, 9.2% indicated 1 month while 8.2% indicated every 6 months. This indicates that products in the industry change about every 3 years.

4.7.2. Reason for Product Change and Effect on Performance

The study sought to determine the most likely reason that product-change affect the performance of the respondent's hotel. The results are shown in Table 4.13.

	Frequency	Percent
Inadequate raw materials	11	11.2
Customer preferences	44	44.9
Limited time between introduction and roll-out	19	19.4
Limited experience and expertise	24	24.5
Total	98	100.0

Table 4.13 Reason for Product Change and Effect on Performance

Source: Author (2014)

The findings indicate that most of the respondents (44.9%) indicated that the most likely reason that product-change affect the performance of the respondent's hotel was customer preferences, 24.5% indicated limited experience and expertise, 19.4% indicated limited time between introduction and roll-out while 11.2% indicated inadequate raw materials. This indicates that the most likely reason that product-change affect the performance of the respondent's hotel was customer preferences.

4.7.3. Training On Changing Procedures and Technology

The study sought to determine if the hotels do conduct training on changing procedures and technology. The results are shown in Table 4.14

	Frequency	Percent
Yes	77	78.6
No	21	21.4
Total	98	100.0

Table 4.14 Training On Changing Procedures and Technology
Source: Author (2014)

The findings indicate that the majority of the respondents (78.6%) agreed that hotels do conduct training on changing procedures and technology while 21.4% did not agree. This indicates that the hotels conduct training on changing procedures and technology.

4.7.4. Technological, Procedural Changes and Performance Targets

The study sought to determine if the hotels meet performance targets when there are technological and procedural changes. The results are shown in Table 4.15

	Frequency	Percent
Strongly agree	67	68.4
Agree	12	12.2
Uncertain	3	3.1
Do not agree	6	6.1
Strongly Do not agree	10	10.2
Total	98	100.0

Table 4.15 Technological, Procedural Changes and Performance Targets
Source: Author (2014)

The findings indicate that (68.4%) of the respondents strongly agreed that hotels meet performance targets when there are technological and procedural changes, 12.2% agreed, 10.2% strongly disagreed, 6.1% did not agree while 3.1% were neutral. This indicates that the hotels meet performance targets when there are technological and procedural changes.

4.8. Impacts on Performance Challenges

4.8.1. Promotional Means to Use to Market Hotel Products and Services

The study sought to determine what promotional means you use to market your hotel products and services. The results are shown in Table 4.16

	Frequency	Percent
The media	69	70.4
Website	15	15.3
Direct marketing	4	4.1
Publications	10	10.2
Total	98	100.0

Table 4.16 Promotional Means to Use to Market Hotel Products and Services
Source: Author (2014)

The findings indicate that the majority of the respondents (70.4%) indicated that they use the media as their promotional means to market their hotel products, 15.4% indicated website, 10.2% indicated publications while 4.1% indicated direct marketing methods. This indicates that the hotels used the media as promotional means to market their hotel products

4.8.2. Rating of Hotels Performance for the Last Year

The study sought to determine the hotel performance to that last year. The results are shown in Table 4.17

	Frequency	Percent
Very good	75	76.5
Good	12	12.2
Equal	2	2.0
Poor	9	9.2
Total	98	100.0

*Table 4.17 Rating Of Hotels Performance for the Last Year
Source: Author (2014)*

The findings indicate that the majority of the respondents (76.5%) rated the hotels performance to that last year as very good, 12.2% rated it good, 9.2% rated it poor while 25 rated it as equal. This indicates that the hotels performance to that last year was very good.

4.8.3. Main Contribution to This Year's Performance Results

The study sought to determine the main contribution to this year's performance results. The results are shown in Table 4.18

	Frequency	Percent
Skilled employee output	26	13.5
Adoption of current technologies	24	1.9
Strong management leadership	37	36.5
Operational challenges	11	25.0
Total	98	100.0

*Table 4.18 Main Contribution to This Year's Performance Results
Source: Author (2014)*

The findings indicate that most of the respondents (36.5%) indicated that the main contribution to this year's performance results was strong management leadership, 25% indicated operational challenges, 13.5% indicated skilled employee output while 1.9% indicated adoption of current technologies.

4.8.4. Possibility of Improving Next Year's Performance

The study sought to determine if there is anything needed to be done to improve next year's performance. The results are shown in Table 4.19

	Frequency	Percent
Yes	88	89.8
No	10	10.2
Total	98	100.0

*Table 4.19 Possibility of Improving Next Year's Performance
Source: Author (2014)*

The findings indicate that the majority of the respondents (89.8%) agreed that something is needed to be done to improve next year's performance while 10.2% disagreed. This indicates that something is needed to be done to improve next year's performance.

4.8.5. Effect of Family and Other Commitments on Respondents Performance

The study sought to determine if family and other commitments affect respondent's performance. The results are shown in Table 4.20.

	Frequency	Percent
Strongly agree	20	20.4
Agree	25	25.5
Not sure	19	19.4
Do not agree	13	13.3
Strongly do not agree	21	21.4
Total	98	100.0

*Table 4.20 Effect of Family and Other Commitments on Respondents Performance
Source: Author (2014)*

The findings indicate that 25.5% of the respondents agreed that family and other commitments affect their performance, 21.4% strongly disagreed, 20.4% strongly agreed, 19.4% were not sure, while 13.3% did not agree. This indicates that the respondents agreed that family and other commitments affect their performance.

4.8.6. Major Operational Challenges That Affect Respondents Output

What are the major operational challenges you face in line of duty that you think affect your output.

	Frequency	Percent
Shortage of skills	25	25.5
Inadequate technologies	12	12.2
Changing Demographics	23	23.5
Management issues	8	8.2
Human resource issues	4	4.1
Demand patterns	26	26.5
Total	52	100.0

*Table 4.21 Major Operational Challenges That Affect Respondents Output
Source: Author (2014)*

The findings indicate that 26.5% of the respondents indicated that demand patters were the major challenges that affect respondents output 25.5% indicated shortage of skills, 23.5% indicated changing demographics, 12.2% indicated inadequate technologies, 8.2% indicated management issues while 4.1% indicated human resource issues. This indicates that demand patters are the major challenges that affect respondents output.

5. Summary of Findings

Twenty percent of the respondents were senior officers whereas 36% were assistant managers. The study also managed to get the views of 20chefs, cooks and waiters and 22 accountants and operational staff. This shows that responses received can be considered credible. The findings indicate that most of the respondents (67%) were female while 33% were male. This indicates that there was no gender biasness and hence the researcher ensured that there was gender equality. Though the big margin, there was a clear indication that both genders were given a more like equal opportunities to give their opinions concerning the operational challenges facing the hotel industry in Kakamega county.

The findings also indicate that that 32% of the respondents had a secondary level education while 48% of the respondents had an undergraduate education level. 8% had a postgraduate level while 12% also had technical level. This was a clear indication that a knowledgeable audience was involved in the generation of the required data. In a competitive market economy, it is only the competitive organizations that survive. Hence the organizations need competent personnel who have the knowhow on issues relating to operations and management of hotels and restaurants.

The respondents also noted that their skills by far helped them meet their daily chores with much ease. The ability to make key decisions increased with increase in level if skills measured by the level of education. Lack of skills by the waiters who directly interact with the customers has a great impact on the operations of the hotels. This was a clear indication that most individuals who seek catering, hotel and accommodation services are young people between the age of 28 years and 36 years. The researcher found out that the age of customers has a direct relationship with the operations of the hotel. This is because young customers have very high expectations of quality services and also they are very impatient. Therefore hotels are compelled to step-up and deliver their best in order to retain a customer in the future. Changing demographics was evidently an important issue that affects the operations of a hotel.

Other demographic issues that affects the operations of a hotel include; the changing lifestyles that affect the eating habits with some people preferring the convectional foodstuffs. The women have also turned to prefer seeking services from hotels something that in the past was not so much prevalent.

The study showed clearly that 40% of the respondents are motivated by the amount of their salaries and wages, whereas 32% of the respondents uses were motivated by passion for what they do and their relationships with their colleagues and customers at work. 28% of the respondents also said that they are motivated by clearly defined roles and responsibilities, support by the business during hard times such when unable to pay their children school fees. Where Individual issues in a hotel are handled by a specific officer it was evident that employees are happy and would want to work for longer in the same place. Contented employees contribute greatly to the increased efficiency and effectiveness in the operations of a hotel.

The findings indicate that the hotels had total average working hours in a day were more than 8 hours, most of the respondents were required to work for more than 12 hours in a day, the hotel staffs productivity is low when they work long hours, the hotel staff take breaks during the day, the hotel staff rated their routine of taking annual leave as poor, the hotel staff did not engage in official matters while on leave, the annual leave was very important to the hotel staff in reference to their performance, products in the industry change about every 3 years, the most likely reason that product-change affect the performance of the respondent's hotel was customer preferences, the hotels conduct training on changing procedures and technology, the hotels meet performance targets when there are technological and procedural changes, the hotels used the media as promotional means to market their hotel products, the hotels performance to that last year was very good.

The findings also indicate that most of the respondents (36.5%) indicated that the main contribution to this year's performance results was strong management leadership, 25% indicated operational challenges, 13.5% indicated skilled employee output while 1.9% indicated adoption of current technologies.

The findings also indicate that something is needed to be done to improve next year's performance, the respondents agreed that family and other commitments affect their performance and demand patters are the major challenges that affect respondents output.

Findings from the study were clear that the main aim of most hotels was to work towards reducing the bureaucracy and instead increase efficiency and effectiveness in their operations. Most of the respondents indicated that this particular factor was their driving force in their daily operations. According to the study, technological factors, human resource issues and the availability of the requisite skills are the major challenges facing operations of hotels in Kakamega County. Government factors which have a great impact on the operations of hotels as indicated by the respondents were permits for handing food stuffs and the permits for individual employees to work in a hotel.

The changing demographics was also observed as a challenge with the hotels being forced to train their staff afresh in order to cope with the changing customer needs and even exceed their expectations.

All the tested variables were significant as all of them had an effect on the operations of the hotels in Kakamega County. None of the variables under investigation could be overlooked in whatever manner. However the magnitude of effect in relation to efficiency and effectiveness in operation of hotels differed a lot. From the analysis it was observed that technological factors had the greatest impact on the operations. It is an issue that every respondent was keen to observe as a major challenge.

6. Conclusion

From the study it can be concluded that all the factors under investigation if very managed work towards increasing efficiency and effectiveness in the operations of hotels, this is As outlined in Henderson and Ioannides (2003) who indicates that the quality of services offered at the catering and hotel industry must be at least as large as the customers' expectations and even beyond through proper operations.

Generally the study concludes that technological factors have a great impact on operations in the hotel and catering industry. This is supported by the study by Margret (2005) who indicates that because of the growing competition in the Kenya hotel industry with customers gaining enough options and alternatives, the different players in the hotel industry in Kenya has to device a way to remain competitive by adopting the current technology as their competitive advantage differently thereby narrowing the customers alternatives.

The study also concludes that working capital is a major hindrance in improved operations ascertaining a study conducted by Taro (2004) who states that the lack of working capital is problem investor's in the hotel industry face prompting them to remain operating in small scale this is because the hotel enterprises requires investing huge amounts of capital in order to allow construction of high class and modern hotel facilities.

The study concludes that although use of the current technology in this sector is a necessary condition for revival of a smooth, effective and efficient operation, it cannot by itself ensure that a full range of quality service is provided. Management of employees through a human resource department, training of employees for the relevant skills and observing the changing demographics are very vital to improving the operations of hotels.

The study concludes that all the hotels in Kakamega County are keen to pleasing their customers and acquiring a bigger market share using the excellent services as their main marketing tool. This is supported by a study by Grace (2007) who states that the best marketing tool for catering and hotel industry is to offer the best services that exceeds the customers' expectations at a very affordable price conveniently. These comprise mainly of well cooked and served food, clean and conducive environment, courtesy and etiquette, time efficient and pocket friendly exclusive services.

This study concludes that most of the hotels do not use these tactics as this is evident as tactical marketing plan lays more emphasis on the marketing tactics, including product features, promotion, merchandising, pricing and sales channels.

7. Recommendations

For the expected return from investing in the hotel industry to increase, there should be an improved outlook is associated with a swing in operationalization policy away from marketing and other management issues currently being over emphasized by the proprietors.

In order to increase their competitive advantage, there is need for hotel investors to adopt newer technologies for building and construction of modern facilities as the Government of Kenya has already authorized use of such technologies and is at the same time promoting their use, especially within major towns.

The investors and the management should be aware of the changing demographics, improved skills in the industry, changing government regulations and customer expectations as being aware of these variables can help them determine changes in supply and demand and identify potentially false trends in the industry. In order to encourage more investors in the hotel industry, institutional policies such as licensing, registration requirement, product standards and certification and infrastructure policies including utility development and land policies should be streamlined and centralized to encourage more investors.

To accelerate sales hotels should make use of appropriate marketing tools such as employing management consultants. Since maintaining a customer is very expensive than acquiring new one, hotels should work towards giving their available customers the best of services while taking negative customer responses positively to help improve their services.

7.1. Recommendations for Further Research

Further research should be carried to determine whether there are more challenges facing operations of hotels in other towns in Kenya. Further research should be carried to establish whether these challenges once solved would greatly impact the quality of services offered by hotels and other players in the catering industry.

8. References

1. Beldona, S., & Cobanoglu, C. (2007). Importance-performance analysis of guest technologies in the lodging industry. *Cornell Hotel and Restaurant Administration Quarterly*, 48(3), 299-312.
2. Bentley, R. (2005). Where are the wires? *Caterer & Hotelkeeper*, 195(4401), 66-67.
3. Boehmer, J. (2005). Hotels lead in deployment of Wi-Fi for corp. travelers. *Business Travel News*, 22(18), 14-18.
4. Borg & Gall, (1996). *Educational Research: An introduction*. Michigan: Longman
5. Boogle, J., Shoemaker, S. (2002), "Loyalty: a strategic commitment", *Cornell H.R.A. Quarterly*, 2, pp.12-25.
6. Borg and Gall, F.A. (1996), "Word-of- mouth: understanding and managing referral marketing", *Journal of Strategic Marketing*, 6, pp 241-54
7. Bryman, A. (2012) *Social Research Methods third edition* : Nairobi (Oxford University Press.).
8. Carlin, M. (December, 2006). Step Right Up: Kiosks Command Attention across Verticals
9. Chandram, L. and Limayem, M. (2004), "The Impact of Customer Relationship Management on Customer Loyalty: The Moderating Role of Web Site Characteristics", *Journal of Computer-Mediated Communication*, 9(4)
10. Cobanoglu, C., & DeMicco, F. (2007) To be secure or not to be: Isn't this the question? A critical look at hotel's network security. *International Journal of Hospitality & Tourism Administration*, 8(1), 43-59.
11. Deloitte's Global Tourism, Hospitality and Leisure Report, (2010)
12. David, K.R (2010), "Beyond Customer Satisfaction to Customer Loyalty", New York: AMA Management Briefing
13. Donald Kisilu Kombo and Delno L. A. Trop, (2006.) *Proposal and Thesis Writing: An Introduction*: Nairobi Paulines Publications Africa,
14. Grace, J. W. (2007), "Qualitative Inquiry and Research Design: Choosing Among Five Traditions", Thousand Oaks, CA: Sage Publications
15. Henderson Ioannides, A., Money, A.H. and Berthon, P.R. (2003), "Service quality and satisfaction-the moderating role of value", *European Journal of Marketing*, 34 (11/12),
16. Holt S V (2009), "Customer Relationship Management for SMEs", Available at <http://www.crm2day.com/library/EpFZEpykZkPeADiEcE.php>, [last accessed on September 4, 2006
17. Kothari, C.R. (2008) *Research Methodology, Methods and Techniques, second revised edition* (New Delhi: New Age International Publishers, pp 118-122.
18. Kombo, D, Tromp, D, (2006): 'Proposal and Thesis Writing: An Introduction': Nairobi Paulines Publications.
19. Kumar, R.; Nathwani, A. (2005). "Business alliances: why managerial thinking and biases determine success" ,*Journal of Business Strategy*, Vol.33, pp. 44-50.
20. Kotler, (2009) *Marketing for Tourism and Hospitality: 4th Edition*: New Jersey: Pearson Education publishers.
21. Kyriakidis, J (2010), "Customer satisfaction in the hotel industry: measurement and meaning",
22. *Cornell H.R.A. Quarterly*, 7, pp.20-41
23. Long Anderson, E.W. (2004), "Cross Strategy variation in customer satisfaction and retention",
24. *Marketing Letters*, Vol. 5, Winter, pp. 19-30
25. Lee J. (2007), "Focusing on fear", *Area* 28 (2), pp. 130-36.
26. Margaret, I. K. (2007), "Understanding customer relationship management (CRM): People, process and technology," *Business Process Management Journal*, vol. 9(5), pp. 672-688
27. Michael L. Kasavana, (2005) *Managing Front Office Operations* [Richard M. Brooks] on
28. Amazon.com. Publication Date: May 1, 2009

31. National Fed Report (NFMB) (1996), "Relationship formation and governance in consumer markets: transactional analysis versus the behaviourist approach", *Journal of Marketing Management*, 12(12), pp. 417-436.
32. Palton, C. and Allen, J.(2002), "The influence of selected antecedents on frontline staff's perception of service recovery performance", *International Journal of Service Industry Management*, 11(1)
33. Taro, S., & Holden, R.(1997). "Toward an understanding of loyalty: The moderating role of trust", *Journal of Managerial Issues*, 9(3), 275-298
34. Vun and Bradstreet. (2009), "Trust, ethics and relationship satisfaction", *Journal of Bank Marketing* 16(4), pp 170.
35. Wiersma, F. (1986), *Customer Relationship Management: concepts and tools*, Oxford: Elsevier Butterworth-Heinemann