
**TRAINING AND EMPLOYEE PERFORMANCE IN THE HOSPITALITY INDUSTRY
IN UGANDA; A CASE OF MBALE RESORT
HOTEL LIMITED, MBALE.**

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**A RESEARCH REPORT SUBMITTED TO FACULTY OF MANAGEMENT SCIENCES,
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DECLARATION

This research project is my original work and has never been submitted for a degree or any other award in any other university.

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APPROVAL

This is to certify that this research report has been compiled and submitted by Muhaire Keren Happuch a student of Busitema University registration number BU/UP/2018/4176 under my approval as the University supervisor.

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Date:

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DEDICATION

I dedicate this research to my beloved parents Mr. Simeon Okoth and Mrs. Margaret Okoth and my siblings Arthur, Jemimah, Nicole, and Michelle.

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Table of Contents

DECLARATION	i
APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF FIGURES	ix
ABSTRACT	x
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of study	1
1.2 Statement of the problem	3
1.3 Purpose of the study	4
1.4 Research Objectives	4
1.5 Research questions	4
1.6.0 Scope of the study	4
1.6.1 Content scope	4
1.6.2 Geographical Scope	5
1.6.3 Time Scope	5
1.7 Significance of the Study	5
1.8 Conceptual Framework	6
1.9 Definition of Key Concepts	7
2.0 Introduction	8
2.1 Theoretical review	8
2.2 Training Needs Assessment and Employee Performance.	8
2.3 Training Methods and Employee Performance	10
2.4 Training Content and Employee Performance	11
2.5 Summary of Research	13
CHAPTER THREE	15
RESEARCH METHODOLOGY	15
3.0 Introduction	15
3.1 Research design	15
3.2 Study Population	15

3.3 Sample Size	15
3.4 Sampling method	16
3.5 Type of data	16
3.5.1 Primary Data	16
3.5.2 Secondary data	16
3.6 Data collection methods	17
3.7 Data Analysis Plan	17
3.8 Data analysis techniques and methods	17
3.9 Reliability and Validity.....	17
3.10 Ethical Considerations.....	18
CHAPTER FOUR	19
DATA ANALYSIS, PRESENTATION, AND INTERPRETATION OF FINDINGS	19
4.0 Introduction	19
4.1 Response Rate.....	19
4.2 Demographic Information.....	19
4.2.1 Gender of Respondents	19
4.2.2 Years Served in the Organization.....	20
4.2.3 Education Level	20
4.2.4 Position held	21
4.3 Descriptive findings of Training Needs Assessment on Employee Performance.	22
Source: Primary data (2022)	22
4.4 Descriptive Findings of Training methods and employee performance.....	23
4.5 Descriptive Findings of Training content and employee performance	24
4.6 Findings from the objectives.....	25
4.6.1 Training Needs Assessment and employee performance	25
4.6.2 Training methods and employee performance	25
4.6.3 Training content and employee performance.....	25
4.7 Regression Analysis.....	26
4.7.1 Regression analysis of Training Needs Assessment and Employee Performance	26
4.7.2 Regression Analysis of Training Methods and Employee Performance	27
4.7.3 Regression Analysis of Training Content and Employee Performance.....	28
CHAPTER FIVE	29

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.....	29
5.0 Introduction	29
5.1 Discussion of the findings	29
5.1.1 Training Needs Assessment and Employee Performance	29
5.1.2 Training Methods and Employee Performance	29
5.1.3 Training Content and Employee Performance.....	30
5.2 Conclusion.....	31
5.3 Recommendations	31
5.4. Limitations of the study	32
5.5 Recommendations for further research	32
REFERENCES.....	33
Appendix II: Questionnaire	36
Appendix III: Work Plan.....	39
Appendix III: Work Plan for 2020.....	39
Appendix IV: Research Budget.....	40

LIST OF TABLES

Table 1 Showing a Sampling Frame	16
Table 2 Showing Reliability	18
Table 3 Showing the variations as per the questionnaire;.....	19
Table 4 Showing years served in the organization.....	20
Table 5 Showing Level of Education.....	21
Table 6 Showing position held by employees in the organization.....	21
Table 7 Showing Descriptive Findings of Training Needs Assessment on Employee Performance.....	22
Table 8 Showing Descriptive Findings of Training Methods on Employee Performance.	23
Table 9 Showing Descriptive Findings of Training Content on Employee Performance.....	24
Table 10 Showing Correlation Results	25
Table 11 Showing Regression Analysis of Training Needs Assessment on Employee Performance.	26
Table 12 Showing Regression Analysis of Training Methods on Employee Performance.	27
Table 13 Showing Regression Analysis of Training Content on Employee Performance.	28

LIST OF FIGURES

Figure 1: Conceptual framework 6

ABSTRACT

Training is important in equipping employees with work-related skills and building their competencies for improved performance. The purpose of the study was to determine the effect of training on employee performance. To achieve this, the study was guided by the following objectives: To examine the effect of training needs assessment on employee performance; To examine the effect of training methods on employee performance; To examine the effect of training content on employee performance. The study anchors on the human capital theory. This study used cross-sectional research design to assess the effectiveness of training on employee performance. The target population is 75 permanent employees working at Mbale Resort Hotel. A sample of 63 respondents was randomly selected from the target population. This study collected primary data using close-ended questionnaires which was analyzed using mean, standard deviation, percentages and frequencies. Analyzed data was presented in the form of tables. The collected data was coded into Statistical Package for the Social Sciences (SPSS) Version 20.0 for analysis and presentation. The study found out that coefficient of correlation R was 0.01, an indication of strong correlation with the variables. The study concludes that training needs assessment significantly influenced employee performance; this was associated to the fact that the company had regular skills-set evaluation that brought out areas of deficiency that employees were to be trained on. Training methods significantly influenced employee performance since well qualified experts in different fields are engaged to conduct the training. Training content significantly influenced employee performance because the individuals engaged to offer training to staff are well versed with what they train. The study recommends that there ought to be regular skills set evaluation in the company, regular evaluation of skills ought to bring out areas of deficiency that employees are to be trained on and training for staff ought to be tailored to tasks performed by each staff. Well qualified experts in different fields ought to be engaged in conducting job training. Mbale Resort Hotel ought to have off the job training. Trainings ought to be kept in line with organizational policies and procedures. The training contents ought to allow provision of feedback for greater learning impact

CHAPTER ONE

INTRODUCTION

1.1 Background of study

The hospitality industry, from which hotels are a main part, is service intensive and consequently relies heavily on its human resources (Hayes DK, et al 2009). The hospitality industry is one of the oldest industries in the world, the fastest growing sector of the economy and a multi-billion dollar growing enterprise (Malonza R, et al, 2016). For a whole hotel to operate smoothly, it needs the involvement of staff of all departments: from the departments directly dealing with guests like Front Office, Housekeeping, Food and Beverages to back-office departments such as Accounting or Engineering.

Improved capabilities, knowledge and skills of the talented employees prove to be a major source of competitive advantage in a global market (McKinsey Q 2006). Employees are a major asset of any organization since they play an active role towards a company's success (Nassazi A 2013). As a result, equipping these unique assets through effective training becomes imperative in order to maximize the job performance and also position them to take on the challenges of today's competitive business climate (Singh C, et al 2017).

Performance is a measure of the achieved results against the set targets or plans. Performance is measured in financial terms as an indicator of returns on assets, investment, market size and profitability index or in non-financial terms like customer satisfaction, motivation to work, regularly going to work, teamwork and improved productivity per hour or day, (Karatepe, 2013). One way of measuring performance of employees is by classifying workers as 'engaged' which represents workers who feel engaged most of the time and 'highly engaged' which represents workers who always feel engaged. The least engaged workers in Europe are found in Croatia (13.9%), Greece (13.6%), and Germany (11.4%) (Wilmar B. Schaufeli 2018).

Globally, 20% of employees are engaged at work. The percentage of actively disengaged employees is up slightly in the U.S., from 14% in 2020 to 15% through June 2021. Actively disengaged employees report miserable work experiences and are generally poorly managed (Jim Harter 2021). Office for National Statistics report (2013) found that UK workers are, on average, between 27 percent and 31 percent less productive than workers in France and Germany. That is also despite France having a higher unemployment level of 9.9% in 2014 compared with 6.1% in

the UK. One obstacle that may be hindering UK productivity is ‘the British habit of mixing work with pleasure (Thibault, 2015).

Japan is one of the least productive countries in the world with a percentage of 41.6%. Most surprising of all is that Japan, a country known for extremely long work hours and working their employees to exhaustion, can be at such a productivity measure. The answer is uncovered by Japanese working culture as explained by an American entrepreneur who worked in Japan: “When you are at work you are not expected to look for things to do.

According to bounty XP Team (2020), Gallup reports that only 13% of employees working for organizations worldwide are engaged, and that; this number has remained stagnant over the last 15 years.

In South Africa, the Gallup survey alludes that 9% of the workforce is actively engaged. Of the South Africans surveyed, 20% were disinterested in their work, and while 50% reported that they were satisfied at work, employee satisfaction does not necessarily indicate that they are actively contributing to the success of the company they work for.

Employee engagement is one of the key strategies to attracting and keeping the best talent on board in the modern world. However, studies indicate that this is not always the case, especially in Kenya where only 38.5% of the current employees responded that they were engaged in their current jobs.

According to the director for planning at the Uganda Hotel Workers Union, Mr. Moses Mauku, the labor laws are fair but the administration is weak. The work permit law is almost non-operational, poor pay is the order of the day and exploitation of workers is extreme. Experts, however, have concluded that the trend of foreigners continuously taking up jobs in Uganda’s hotels is a result of three major factors; Uganda’s poor training capacity, weak non-operational labor laws and the perception that Ugandans are less productive compared to their counterparts in the region, particularly Kenya. According to Mr. Mugole, whereas the industry is growing, Uganda only earns ‘peanuts’ in terms of employment, even though the industry is labor intensive. 90% of Ugandans employed in the hotel industry take up low-end jobs that are least paying, the managerial positions among them; chefs, food and beverage managers and general management positions are often occupied by non-nationals, particularly Kenyans. This does not motivate most of the employees to get engaged, committed and satisfied with their work leading to poor performance in the hotel sector.

In the hotel industry in Uganda, more than ever, competition for guests has become so stiff that employees are expected to deliver their outcomes. However, the quality of service rendered by many hotels has been declining leaving many customers dissatisfied. This is without the exception of Mbale City.

In addressing the problem of poor employee performance, the study will be guided by the human capital theory as suggested by Shultz (1961) which assumes that training and education need to be treated as investment in the person receiving it. It is concerned with the extent of stock of knowledge possessed by a worker which distinguishes their performance from those of others. The theory argues that investments are made in human resources development with the aim of improving their productivity. Improved productivity leads to improved earnings as the employers would always want to recognize well performing employees bearing unique and exceptional skills in whatever they are engaged to do (Nafukho, et al, 2004).

Most of the studies have been carried out in U.S.A, U.K, Germany, South Africa and Kenya. However, there are no studies with clear evidence carried out on how training affects employee performance in Uganda. Therefore we intend to carry out our study on the effect of training on employee performance in the hospitality industry, a case study of Mbale Resort Hotel to bridge the literature gap.

1.2 Statement of the problem

In the hotel industry in Uganda, more than ever, competition for guests has become so stiff that employees are expected to deliver their outcomes. However, the quality of service rendered by many hotels has been declining leaving many customers dissatisfied. Consumers of hotel services in Uganda complain about lack of dependability of staff, lack of willingness to help, failure on part of staff to inspire trust and confidence, lack of empathy and poor physical facilities, equipment and appearance of staff (Manpower Survey Uganda 2016/2017).

According to Baguma (2010), the labor productivity of Ugandans is very low within the East African region. Six Ugandans are employed to do a job that can be done by one Kenyan. Lack of skills and a poor culture towards work have been cited to contribute to the low productivity level in Uganda. Mbale in the last year rose to city status, despite the fact that many people visiting the city barely find a comfortable place to get the best visiting experience due to poor service they received from most of the hotel staff where they stayed while visiting the city.

The problem of poor employee performance could be attributed due to limited training of personnel in the hotels. This therefore, warrants investigation on the effect of training on employee performance in the hotel industry, a case of Mbale Resort Hotel in Uganda.

1.3 Purpose of the study

The purpose of the study is to examine the effect of training on employee performance in the hospitality industry in Mbale District.

1.4 Research Objectives

The following are the specific objectives of the study:

- To examine the effect of training needs assessment on employee performance in the hospitality industry.
- To examine the effect of training methods on employee performance in the hospitality industry.
- To examine the effect of training content on employee performance in the hospitality industry.

1.5 Research questions

The following research questions will be used in the study:

- What is the effect of training needs assessment on employee performance in the hospitality industry?
- What is the effect of training methods on employee performance in the hospitality industry?
- What is the effect of training content on employee performance in the hospitality industry?

1.6.0 Scope of the study

1.6.1 Content scope

The study is mainly to look at the effect of training focusing on training needs assessment, training methods and training content on employee performance in the hospitality industry in Mbale District.

1.6.2 Geographical Scope

The study is to be carried out in Mbale districted in Mbale City at Mbale Resort Hotel. This is because this district has had increasing cases of poor employee performance compared to other districts.

1.6.3 Time Scope

The study was conducted for the period of 5years from 2016-2021 because this period was enough to collect all the necessary data and information for the study.

1.7 Significance of the Study

- i. The findings from this study would help various government agencies and departments to formulate regulations and policies that would guide the activities of the hospitality industry. The policies would lead to improved performance of individual players in the sector leading to increased income collected in form of taxes from the industry.
- ii. The study would guide the management at Mbale Resort Hotel in streamlining their training and development programs so as to achieve high employee performance. The findings and recommendations would guide the management and staff on creating avenues so as to improve employee performance that directly impacts on overall organizational performance.
- iii. The study would also bring to light challenges and problems in training and development, thus creating an opportunity for the Mbale Resort Hotel management to correct in an effort of realizing high employee performance.
- iv. These study findings would be of value to academicians and future scholars as a source of empirical literature hence guiding future research undertakings in the area of training and development and employee performance. The recommendations would guide and highlight the key research areas that future academicians can conduct their studies.

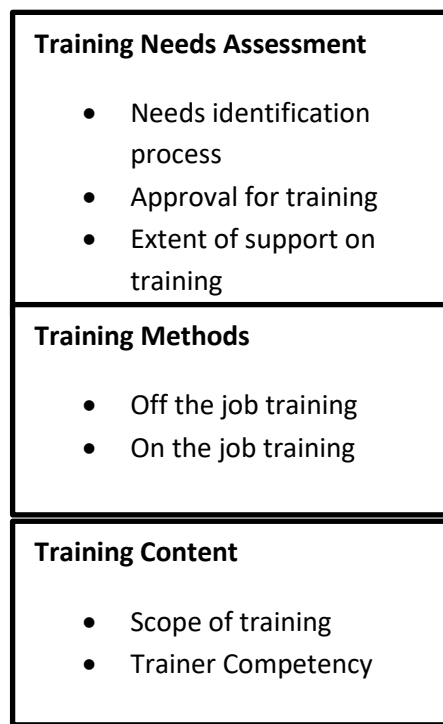
1.8 Conceptual Framework

In this study the conceptual framework will look at the effect of training on employee performance in the hospitality industry. In this study, training is the independent variable while employee performance is the dependent variable. Employee performance is measured by productivity, employee engagement, and motivation according to this study.

Figure 1: Conceptual framework

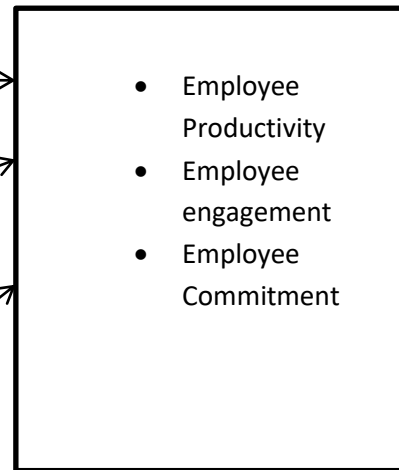
Independent Variable

Training



Dependent Variable

Employee Performance



Source: Adopted and Modified from (Kamran, A. and Nasir, M, 2012)

Training depends on the training needs of the employees. Therefore, training needs assessment needs to be carried out to improve training to provide required skills and knowledge to staff, which in turn improves productivity and quality of service offered to guests by staff. Training needs can come from an overall organizational and strategic point of view, from departments or from individual evaluation. Training methods can either be; on-the-job or off-the-job trainings. These help to develop new training and educational courses and lessons for the existing

employees. It roots out the gaps in training and fills employees with new material for better performance. It also allows the staff team to grow their skills rather than becoming static in their roles. Training content includes any information presented with the aim of teaching the knowledge and skills to the employees of the organization. Organizations can reap the rewards of providing training for their employees because well-trained workers help increase productivity and profits. Investing in employee training should improve employee productivity, employee engagement, employee commitment, customer satisfaction, and creativity. Effective training saves labor by reducing time spent on problem-solving and saves money in the long run by producing a better workforce.

1.9 Definition of Key Concepts

Training

These are programs that provide workers with information, new skills, or professional development opportunities (Elnaga and Imra, 2013).

Employee Engagement

Employee engagement is the positive, affective psychological work-related state of mind that leads employees to actively express and invest themselves emotionally, cognitively, and physically in their role performance, (Agyemang and Ofei, 2013).

Employee Performance

Afshan et al, (2012) define performance as the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Employee performance can be manifested in improvement in production, easiness in using the new technology, highly motivated workers.

Employee Productivity

Is the amount of work or output produced by an employee in a specific period of time.(Manuela Barcenas, 2020)

Employee Commitment.

This is the level of enthusiasm an employee has towards his or her tasks assigned at a workplace. (Bronwyn Wainwright, 2019)

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