Sequels of HRM praxes on service quality of employees in boutique hotels: a Thailand perspective

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Abstract: This research investigates the determining outcomes of personnel management practices on employee service quality in Thailand’s chained-brand hotels located in Bangkok. The hypotheses developed for this study are to discover the affirmative and dissenting associations between the personnel systems, facilitating factors and quality of service impact on the performance of the employees in the organisations. Overall 450 respondents at the top managerial positions were interviewed and the data collected was statistically analysed using Social Package for the Social Sciences AMOS. The outcome of the analysis reflects that the personnel have no direct association with the service quality of the employee as a part of the employee performance. But they have an indirect relationship, meaning employee service quality cannot be determined solely by the use of HRM practices. Motivation of the employee has the strongest effect on the employee performance compared to the other four facilitating factors in this study.

Keywords: HRM practices; employee service quality; Thailand’s chained-brand hotels.


Biographical notes: Sorasak Tangthong is a seasoned corporate leader, entrepreneur, trainer, consultant and scholar. He earned his PhD in Industrial Business Management from King Mongkut’s Institute of Technology at Ladkrabang, Bangkok, Thailand. He is currently serving his Alma Mater as a Lecturer and Assistant Dean for International Affairs, Faculty of Administration and Management. His academic scholarship has been published in numerous Scopus indexed journals.
1 Introduction

Organisational success depends on the performance of employees. As such, employees need to be managed, which is regarded as an essential function for managers (Gentry et al., 2008; Kraut et al., 1989). Managers are responsible for ensuring that organisations succeed and achieve high-performance levels (Daft, 1988). Ristow et al. (2004) further state that performance cannot be left in anticipation that it will develop naturally, despite the employee’s natural desire to perform and be rewarded for performance. The desire to achieve needs to be accommodated, facilitated and cultivated. As a result, most organisations have made significant financial commitments, through human resources management (HRM) practices, to manage employees’ performance (Chow and Kleiner, 2002). The dynamic growth in the various methods of managing the performance of the employees hints the notion that employee performance is a vital code for every successful organisation (Schraeder and Jordan, 2011).

Most researchers consider HRM practices to be a very common way to manage employee performance (e.g., Munjuri, 2011). But recently, some researchers have argued that there are other factors besides HRM practices that can have an effect on employee performance. Guest (2002), for instance, explained that the bearing of the personnel systems have on employee performance will depend on how the practices are perceived by employees. Huselid (1995) found that the effectiveness of employees will depend on the impact of HRM practice on the behaviour of employees. Thus literature shows that not only should organisations be equipped with the right HRM practices to increase employee performance, but they should also take into account other factors like employee behaviour. Many researches have been persistent on one of these behaviours, while this study will emphasise on five typical employee comportments; employee citizenship towards the organisation, satisfaction of the job the employee is doing, engagement of the employee in work, motivation given to employee and the level of personnel flexibility given to employees by human resource department. These five factors will facilitate the associations between the personnel systems and the service quality of the employee as an employee performance.

Thailand is destination country for tourists around the world and one of the most famous for city tourism. Hotel industry in Thailand has a significant impact for Thailand’s economic growth. There are many Thailand’s chained-brand hotels. Competition in the Thai hotel industry is very high. Therefore, high staff service quality is necessary to achieve customer satisfaction, and professional hotel HRM practices are needed.
2 Theoretical background

For organisations to succeed, having a competitive position over their rivals is a must. Understanding this competitive position comes from understanding the company’s resources. Several studies using Barney’s (1991) resource based view (RBV) promote the view that human resource management could be utilised to have a competitive advantage over the competitors.

2.1 Resource based view (RBV)

Resource based view has been established on the assertion that companies need to have valuable, rare, if not unmatchable and non-interchangeable resources internally to attain a sustainably competitive advantage (Barney, 1991). Barney (1991) goes on to list all assets, employees’ capabilities, internal processes, organisational wisdom, and more as resources.

Wright and McMahan (1992) indicated that for an organisation to be competitive, their employees have to possess the following four virtues:

1. employees need to enhance the significance of the process of production via significant personal performance
2. the corporation must have employees with rare skill sets
3. investments in the firm’s human capital should be difficult to copy
4. there should not be technological alternatives to the human element.

Points one and two are a must for human resources as both points are evenly distributed (Wright and McMahan, 1992). Point 3 focuses on HR systems which are intangible and can be multifaceted social systems. Technology and natural resources are easier to copy. Though technology has automated some human roles in other industries, in the service industry workers’ functions are much less likely to be made robotic.

In presenting the many ideas involved in HRM practices one must move beyond RBV to understand performance in organisations. Other HRM ideas are discussed in other sections of this paper.

2.2 Human resource management

Guest (2002) and Boselie et al. (2005) both placed contemporary human resource management into three categories. Guest mentioned the universalistic, contingency, and configurational theories. Strategic HRM theories in the UK state that an organisation following best human resource practices, internally and externally, will outperform the others. Strategic HRM theories in the USA state that organisations that have the right combination of operational strategies, organisational functional structure and systems and processes related to personnel management are competitive. Descriptive theories are primarily non-prescriptive, do not either lists areas of HR policy and outcomes or use a structure built approach that describes the relationships among employee levels (Kochan et al., 1986). Normative theories view firms establishing prescriptive standards of best practices.
Boselie et al. (2005) also mentioned three HRM theoretical perspectives: contingency, resource based and ability-motivation-opportunity set. Contingency theories see HRM as influenced by the organisation’s environment and circumstances (for example, Legge, 1978). Resource based theories see HRM delivering value through strategic development of the organisation’s unique human resources (for example, Barney, 1991, 1995). Ability-Motivation-Opportunity (AMO) theories view performance as a combination of the employees’ ability to work, the various styles of employee motivation and the various opportunities for the employees to participate at work. AMO theories provide the base for HR systems developed to cater for employees’ main areas of attractions which are their skill enhancement, motivation and quality of job (for example, Appelbaum et al., 2005).

2.3 Models of human resource management

Resources (HR) practitioners have many archetypes to choose from to manage human resources. Four models are summarised next. The Harvard Model (Beer et al., 1984), promotes the soft aspect of HRM and can be used by all managers. Additionally, the Harvard Model focuses on employee commitment to the job and the employees’ job compatibility, competence and cost effectiveness. Also there is the Michigan Model (Devanna et al., 1984), which views people as any other company resource thus called “hard HRM.” Workers should be at obtained minimal cost, used only as required, developed to meet needs, and maximised. Guest (1997) developed his archetypal Guest Model, based on the belief that an integrated set of HRM practices is required for better individualistic and managerial performance. With the Warwick Model (Hendry and Pettigrew, 1990), the inner (organisational) and external (environmental) contexts of HR strategy need identification as personnel impacts HR strategy content.

2.4 Human resource management practices

HRM practices need to be innovative and customised for the organisation’s nuances before implementation to be effective.

2.5 Types of human resource management practices

Several classification schemes have been proposed for HRM practices. These schemes include best exercise of performance, recognised, sophisticated, and professional. Pfeffer (1994, 1998) term of “Best HRM Practices” is considered most appropriate for this paper.

Chandler and McEvoy (2000) mentioned that one of the lasting issues in HRM research is to identify a distinct approach that could be considered a ‘universally superior approach’ to managing people. The majority of the best practice theories suggest that some personnel practices can be used individually or as a group to improve organisational performance globally. Providing job security to employees, hiring the right person for the right position, high performance working teams, market competitive salary, appositely timed training, promoting equality between employees and transparency at work are some of the best practices at work (Pfeffer, 1994). Redman and Matthews (1998) identified eight HRM practices which act as an ‘HRM bundle’ which support service organisations’ quality strategies. The eight practices are recruiting and
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selecting the right people, retaining talented employees, encouraging collaborative working, providing apposite training and development activities, appraising the employees appositely, appreciating the high quality work of employees through suitable incentives, providing security of job to the employees, and involving employees in decision making. Saxena and Tiwari (2009) identified a similar set of factors to Pfeffer (1994) and Redman and Mattews (1998). Saxena and Tiwari suggested that providing apposite training and development activities, promoting positive line manager–subordinate relationships, recognising the high quality work of employees through suitable incentives, promoting a positive employee morale and career progression, providing market competitive financial incentives and rewards are some of the unique personnel strategies that should be employed.

3 Literature review and hypotheses

The literature of review discusses the relationship between the personnel HRM methodologies and employee performance. Focus is on variables such as organisational citizenship behaviours, job satisfaction, employee engagement, employee motivation and HR flexibility. There are several potential associations of the selected variables but 11 hypotheses were framed and used in this study.

3.1 Personnel management system

The importance of personnel department and the part HR plays in organisational performance requires seeing the HR process as whole system. Few studies have reviewed the influence of the whole personnel management system on a company’s function. Lado and Wilson (1994) suggested that the contributions of the human resources, processes and practices output needs consideration when a firm is thinking of sustaining competitive advantage. Barney’s (1991) resource-based view is another and explained in the theoretical background section.

3.2 Employee performance

A firm’s performance is a result of the effectiveness of its HR system (Lado and Wilson, 1994) and employee performance, which can have two meanings. Employee performance is a mix of ratings based on work indicators over a period of time. Also, employee performance can mean productivity of the employee as a result of continuous development of the employee through various methods.

Performance of employees could be in the form of the quantity or quality or timeliness of output, impact at work and cooperativeness (Güngör, 2011). Improving employee performance could lead to better firm performance and individual satisfaction.

3.3 Personnel management practices

Using the practice based thought, this study will assess the personnel methods and their impact on service quality at chain-based hotels in Bangkok, Thailand. HRM practices is a
broad term that includes related but different activities, functions and processes directed at an enterprise’s holistic view of human resources.

Bhatti and Qureshi (2007) found employee participation to have a positive effect on employee productivity. Rewards also have a direct impact on employee performance (Qureshi et al., 2010). Training and development raise performance levels and contribute to organisational success by developing employees with awareness, expertise, abilities, aptitude and high employee morale (April, 2010). Singh and Mohanty (2012) too found a relationship between work-related training and employee efficiency. The level of employee satisfaction and commitment towards the job increases as the employees get developed through the various trainings (Hameed and Waheed, 2011). A larger impact is that as employee performance improves the organisational structure becomes more efficient (Champathes, 2006).

Thus: H1: Employee performance is affected by HRM practices

Organisational citizenship behaviours (OCBs) among employees can be lifted by HRM practices used in the enterprise. Employees who are able to make choices for themselves feel that they empowered and important members of the organisation. Personnel with appropriate authority have the power to formulate and implement organisational citizenship behaviours (Morrison, 1996). This positive outlook would encourage employees to be more agreeable with additional roles that may be given to them, and in turn improving the organisational citizenship behaviours (Miles et al., 2002). Companies could promote organisational citizenship behaviours by gifting it to its employees (Babaei et al., 2012). Directly rewarding good citizenship via an established system highlights the value placed on such behaviours (Levering and Moskowitz, 2003).

A professional advancement proposal is necessary for the employees to reach their professional objectives. Various professional development strategies that are applicable and necessary for workers who are aiming for specific career goals have been developed by Greenhaus and Callahan (1994). They also believed that workers needed to perform additionally to their job descriptions which are equal to showing some OCBs. Career planning is positively correlated to OCBs (Gong et al., 2010) with employees often viewing training as a means of company support. Having the view that the company support them promotes cooperating and helping co-workers (Shore and Wayne, 1993). Workers who view training positively show stronger connections with the organisation that provided the training.

Thus: H2: HRM practices affect organisational citizenship behaviours.

Participating at work improves the viewpoint of satisfaction, job accomplishment, and job oriented social contact, which matches the level of job satisfaction (Bhatti and Qureshi, 2007, Sashkin and Burke, 1987). Compensation along with financial and non-financial systems has led to work satisfaction (Boyt et al., 2001). Work dissatisfaction stems from an employee’s lack of happiness in his/her career; equally, creating and realising a career plan is the prime source of job satisfaction (Henderson, 2000). The affirmative relationship between the professional growth and work satisfaction was also found by Carden (2007). Investing in career management is one way which companies can improve workers’ satisfaction (Lee, 2000).

Employee training expedites and updates workers’ ability and expertise, and improves the employees’ level of obligation and fulfilment with the organisation (Bushardt and Fretwell, 1994). Redman and Mathews (1998) found there is an
affirmative influence between job satisfaction and training and development. A section of employees in organisations may need independence and a sense of self-realisation to feel satisfied. Swarnalatha and Sureshkrishna (2012) showed there is a relationship between employee empowerment and the level of satisfaction with job which is used in this research.

Thus: H3: Personnel management practices affect the level of satisfaction at work.

The organisation receives benefits because of the employee participation in the decision making activities and various other forms of employee engagement (Cascio et al., 1997). The idea of engagement of employees is supported (Ram and Prabhakar, 2011) however the level of dependence on the employees feeling that they are compensated fairly based on their ability, expertise and inputs. Mone and London (2009) view that line supervisors who make opportunities available for suitable skill improvement and professional growth, promote positive engagement of employees. This relationship between the professional development programs and engagement of employees was identified by other researchers too.

Therefore: H4: Personnel management practices affect the engagement of employees.

By involving the organisation’s personnel in strategic decision making there is an increase in employee motivation because it gives clarity to work and increases social contact (Al Nsour, 2011; Hussein, 2007). A reward system (Ali and Ahmed, 2009) and career planning also helps to motivate employees.

Providing guidance, encouraging employees to set their career goals and self-motivation are part of employers’ and supervisors’ roles, especially for workers setting their own goals (Elrod, 2009). Motivation can be expressly useful when promotion or some form of advancement is realistic. Employees who feel that corporate training has increased their competencies feel motivated at work (Lester, 1999). Cross-training has a positive relationship with motivation (Gawali, 2009). However, staff can be demotivated when organisational changes occur as there are sometimes shortages of skills, stress is created due to lack of time, instability of work and unbalanced workloads. Empowering workers is the most important, efficient ways to increase workers motivation (Kaplan and Norton, 1992, 1996, Yoon 2001). It is significant to empower the workers as it is the most effectual intermediation programs to increase the employees’ motivation.

Therefore: H5: Personnel management practices affect the motivation of the employee.

An incentive system stimulates personnel to exhibit their multi-faceted working ability, furnishes a motive to initiate ideas and adapt quicker because corporate recognition will be achieved by providing a solution to ongoing issues (Unsworth and Parker, 2003). More imitativeness and work flexibility could end up in more workload, which can lead to stressful and uneasiness to the worker provided the work of the employees are not compensated. Professional development helps to improve the flexibility of the workforce ability. Workers wish to enhance their expertise to grow in their profession usually via a grounded practical educational program which would aid in mastering or applying a new skill (Wright and Snell, 1998). Training has an affirmative relationship towards employee flexibility (Beltrán-Martín et al., 2008). By broadening staff skills and competencies, firms help workers see alternative ways of working and increase flexibility of the workers’ behaviour at work.
Therefore: H6: Personnel management practices affect employee flexibility.

3.4 Negotiating variables

3.4.1 Organisational citizenship behaviours (OCBs)

Organisational citizenship behaviours are discretionary behaviours which staff show by performing duties which are not prescribed or formally measured but would help the organisation (and individual in turn) perform better. These behaviours reflect an employee’s genuine willingness to be involved in an organisation and are correlated to productivity (Appelbaum et al., 2005; Shore et al., 1995). Staff need to exhibit Organisational citizenship behaviours to excel at work.

Hence: H7: Organisational citizenship behaviours influence the performance of the employees.

3.5 Work satisfaction

Job satisfaction is an expression, or mental image, with regards to the type of work. Satisfaction is an end result of a self-evaluation of one’s job by comparing expectation with actuality. Job satisfaction also relates to the associated satisfactory and dissatisfactory experiences of the employees at work. Feelings about one’s job come from the individual’s perception of the fulfilment delivered by work and compatibility of values required (Dunnette and Locke, 1976).

Islam et al. (2012) mentioned that job satisfaction is the most critical and researched work attitude in the field of organisational behaviour. Three critical dimensions to job satisfaction are the emotional response to a job’s situation, outcomes meeting or exceeding expectations, and a bundle of several related attitudes (Locke, 1976; Mitchell and Larson, 1987).

Organisational effectiveness requires employees’ satisfaction as staff are more likely to perform desirably which is likely to increase productivity (Judge et al., 2001, Likert, 1961; McGregor, 1960).

Hence: H8: Employee performance is affected by job satisfaction

3.6 Employee engagement

Employee engagement refers to the emotional connection of workers with their commitment to their roles. Commitment is displayed tangibly, rationally and expressively. Employees exhibit positive morale at their work, realise their job to be meaningful, consider their workload manageable, are enthusiastically involved at work, and look forward to the future in their job. Falcone (2006) said to be fully engaged requires being enthusiastic about work and participating fully.

Two main aspects of engagement of the employees are the intellectual aspect and expressive aspect. Intellectual engagement refers to psychological connection which an employee has with the company’s mission and their function in the company. Responsive engagement signifies the level to an employee sympathises and connects meaningfully with peers.
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Towers Perrin (2007) feel that positively engaged employees maintain positive attitudes and are prone to work better.

Thus: H9: Engagement of personnel affects the performance of personnel.

3.7 Motivation of employee

Employee drive is one approach managers use to be more effective in management of employees. Employee motivation may be defined as identifying needs or desires that give purpose, direction, and the desire for accomplishment, in a person. Hellriegel et al. (1992) described motivation as a push from within or that creates a force on the person to act in a specific manner. Luthans (1998) says motivation stimulates people to perform and accomplish desired tasks.

Motivated employees are more likely to be productive employees, contributing to the organisation’s effectiveness by contributing more time, energy, enjoyment and overall enthusiasm at work (Deci and Ryan, 2000, 2002; Matthew et al., 2009). Thus a program addressing motivation is an essential component for greater employee productivity (Solomon et al., 2012).

Thus: H10: Motivation of employees affects performance of employees.

3.8 Human resource flexibility

HR flexibility is the employee competency within a company to adapt to new situations and company strategies. Flexibility includes the knowledge, skills and behaviours of employees which can be used by the firm to pursue alternative strategies. Wright and Snell (1998) mention that a key trait of an adaptable staff is that workers are able to perform varied tasks. HR flexibility is based on employee function flexibility i.e. employee versatility, so that workers can be transferred within the organisation as required. Goudsward and Nanteuil (2000) state that the acquisition of a range of skills and subsequent training implemented is based on HR’s need for flexibility as well as the individuals’ desires. Rosenblatt and Inbal (1999) state operational flexibility is another tool used in organisational effectiveness and related to better performance of employees.


3.9 Conceptual framework of the research

This study focuses on the relationship between personnel management practices and performance of employees in the hotel service industry. Figure 1 shows a developed comprehensive framework using HRM practices, identified from literature, as the independent variable.

Employee voluntary commitment, satisfaction of work, engagement of personnel, motivation of employees and personnel flexibility are the mediating variables. Employee performance is the dependent variable.
4 Methodology of research

4.1 Scope of the research

The research aims on the outcomes of the personnel management practices on personnel service quality as an employee performance marker in Thailand’s chained-brand hotels located in Bangkok, Thailand.

4.2 Sampling

The sample respondents being researched are managers working at 238 chained-brand hotels in Bangkok, Thailand, operational in 2016. Overall 450 line managers, comprising top-level managers, personnel supervisors and hotel functional operation managers including titles such as Restaurant Manager, Engineering and Service Maintenance Manager, Executive Chef, were randomly selected from 140 chained-brands in Bangkok.

Purposive sampling, one of the types of non-probability sampling has been used in this research study. The sample groups include the following types of managers in each hotel: Top-level Management, Personnel Management Manager and Hotel Functional Operation Manager. These roles were chosen in this study because they are related in order to set up and execute guidelines, including personnel management exercises in companies.
4.3 Investigative variables

The independent variable, personnel management exercises, is composed of five elements, 1) participation of employees, 2) incentive management system, 3) professional development system, 4) coaching and advancement and 5) empowerment of employees.

1) Commitment of employees, 2) satisfaction of work, 3) engagement of workers at job, 4) motivation of employees and 5) personnel management flexibility are the five negotiating observed variables.

Employee service quality is the related variable

Path analysis is used to establish the association between the relationships linking the neutral variable, via the negotiating variables, to the related variable.

4.4 Primary study tool

A ten-part self-assessment questionnaire was used to collect quantitative data. Two advisors checked the questionnaire before sending out. Section 1 contains eight questions, seeking information about the company that supported to choose the suitable organisations for the research. Section 2 contains six questions, related to the respondent’s individual data. Section 3 questions were developed with the five experiential components of the personnel management systems. This section had 28 questions. Sections 4 to 8, comprise 37 questions involving the negotiating variables. Section 9 contains five questions related to the related variable. Finally, Section 10 has an open ended question, providing an opportunity for the respondents to give their open remarks regarding their view of HR, the questionnaire and their willingness to use the results of the study.

Parts 3 to 9 of the questionnaire used a five point Likert scaling from one to five, with one as strongly disagree, two as disagree, three as neither disagree nor agree, four as agree, and five as strongly agree. Related questions were asked in some instances to reduce key information bias and promote the level of confidence of the respondent when responding the questionnaires. Cronbach’s alpha coefficient is used for assessing reliability with a value greater than 0.70 meaning a high reliability.

The questionnaire went through two rounds of translation, English to Thai, and then Thai to English to check linguistic consistency. A corrected and consistent Thai version of the questionnaire was given to interviewees.

4.5 Data collection

Questionnaires were given out in person at the respondents’ workplace in addition to email. Follow-up telephone calls were made in cases of incomplete responses via the various HR Departments. The HR Departments were most likely to respond and the researcher was directed to coordinate with other managers through the HR Department. The study’s finding was used as an incentive for participation. A time limit of four months was used for collection of the survey. Out of the 700 questionnaires distributed, 532 were returned (76% response rate), with 450 adequately completed.

Statistical Package for the Social Science (SPSS) and IBM SPSS AMOS were used to analyse the results data. A two-step process was used in data preparation. First examine
the questionnaires to check the answers and assign numbers. Secondly enter the responses into the software.

Path analysis is used to analyse the outcomes of the personnel management systems on the personnel service quality as a personnel performance through the five negotiating factors (see Figure 1). Path analysis is an expansion of multiple regression which allows for the flexible but robust examination of the relationships among variables.

Based on Anderson and Gerbing (1988) a twofold method was utilised for data analysis. First, confirmatory factor analysis (CFA) evaluated the measurement model by assessing the congregated validity and differentiate validity of the manifold element hypotheses. The outcomes were then used in the second step where there is an estimation of theoretical (structural) models by using the association between hypotheses matrix and square roots of average variance extracted (AVE), as well as the model fit indices.

An assessment of the hypotheses validity and reliability was appraised by CFA exercising SPSS AMOS. The entire elements were then submitted to reliability analysis via Cronbach’s alpha coefficient using SPSS 13.0 program. Cronbach’s alpha values for all constructs are above the suggested value of 0.70.

4.6 Findings of the study

Table 1 shows general geographic organisational characteristics and Table 2 shows basic demographic characteristics of respondents.

**Table 1** Geographic organisational characteristics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country of Hotel Origin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>171</td>
<td>38.00</td>
</tr>
<tr>
<td>North America</td>
<td>156</td>
<td>34.67</td>
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<tr>
<td>Europe</td>
<td>112</td>
<td>24.89</td>
</tr>
<tr>
<td>Others (e.g., Australia)</td>
<td>11</td>
<td>2.44</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>450</strong></td>
<td><strong>100.0</strong></td>
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</tbody>
</table>

**Table 2** Demographic characteristics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>179</td>
<td>39.78</td>
</tr>
<tr>
<td>Female</td>
<td>271</td>
<td>60.22</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>450</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21–30</td>
<td>35</td>
<td>7.78</td>
</tr>
<tr>
<td>31–40</td>
<td>152</td>
<td>33.78</td>
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<tr>
<td>41–50</td>
<td>217</td>
<td>48.22</td>
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<tr>
<td>51 and above</td>
<td>46</td>
<td>10.22</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>450</strong></td>
<td><strong>100.0</strong></td>
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</table>
Table 2  Demographic characteristics (continued)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Current position/title</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top management</td>
<td>48</td>
<td>10.67</td>
</tr>
<tr>
<td>HR leader</td>
<td>98</td>
<td>21.78</td>
</tr>
<tr>
<td>Line operation hotel manager</td>
<td>304</td>
<td>67.56</td>
</tr>
<tr>
<td>Total</td>
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<tr>
<td>Education level</td>
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<tr>
<td>Diploma or below</td>
<td>54</td>
<td>12.00</td>
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<tr>
<td>Bachelor’s degree or equivalent</td>
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<td>32.67</td>
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<tr>
<td>Above bachelor’s degree</td>
<td>249</td>
<td>55.33</td>
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<tr>
<td>Total</td>
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<td>100.0</td>
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<tr>
<td>Work experience</td>
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<td></td>
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<tr>
<td>0–10 years</td>
<td>67</td>
<td>14.89</td>
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<tr>
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<td>51.33</td>
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<tr>
<td>21–30 years</td>
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<tr>
<td>Total</td>
<td>450</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.7 Confirmatory factor analysis (CFA)

The findings of confirmatory factor analysis, goodness of fit statistics are presented in Table 3, using hypotheses rationality to test for uniformity among the underlying factors of CFA, which are personnel management procedures, employee commitment towards the organisation, satisfaction of work, engagement of employee, motivation of employee, personnel adaptability at work and performance of personnel.

Table 3  Goodness of fit test for confirmatory factor analysis model in employee performance

<table>
<thead>
<tr>
<th>Goodness-of-fit statistics</th>
<th>Levels</th>
<th>Statistics</th>
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<tbody>
<tr>
<td>Chi-square ($\chi^2$)</td>
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<tr>
<td>Probability level ($p$)</td>
<td>&gt;0.05</td>
<td>0.293</td>
</tr>
<tr>
<td>$\chi^2$/df</td>
<td>&lt;2.00</td>
<td>1.108/1 = 1.108</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt;0.05</td>
<td>0.019</td>
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<tr>
<td>RMR</td>
<td>&lt;0.05</td>
<td>0.004</td>
</tr>
<tr>
<td>GFI</td>
<td>≥0.90</td>
<td>0.999</td>
</tr>
<tr>
<td>Comparative fit index (CFI)</td>
<td>≥0.90</td>
<td>1.000</td>
</tr>
</tbody>
</table>
4.8 Findings of the hypotheses

Table 4 shows that the findings of the association are substantial at the 0.01 level (two-tailed test) between variables. The findings of the constructs exhibit that the level of association among the variables value is lower than +0.8, this implies that the variables are mutual.

Table 4

<table>
<thead>
<tr>
<th></th>
<th>HRMP</th>
<th>OCB</th>
<th>JS</th>
<th>EE</th>
<th>EM</th>
<th>HRF</th>
<th>EP</th>
</tr>
</thead>
<tbody>
<tr>
<td>HRMP</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB</td>
<td>0.530**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>0.450**</td>
<td>0.505**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE</td>
<td>0.565**</td>
<td>0.646**</td>
<td>0.604**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EM</td>
<td>0.341**</td>
<td>0.456**</td>
<td>0.303**</td>
<td>0.578**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRF</td>
<td>0.520**</td>
<td>0.229**</td>
<td>0.115*</td>
<td>0.243**</td>
<td>0.150**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>0.380**</td>
<td>0.327**</td>
<td>0.334**</td>
<td>0.383**</td>
<td>0.335**</td>
<td>0.287**</td>
<td>1</td>
</tr>
</tbody>
</table>

N = 450.

**Correlation is significant at the 0.01 level (2-tailed).

Table 5 exhibits the constant arithmetical degree of the path analysis model in correlation to the study assumptions and the experiential statistics on personnel procedures. The goodness of fit test illustrates that the chi-square value is 2.631 at degrees of freedom 3, and the calculated value is 0.877, which is less than 2. This is in agreement with the specified level, and has a p value of 0.452, which should be > 0.05. The RMSEA, GFI and CFI values are consistent with the specified levels.

Table 5

<table>
<thead>
<tr>
<th>Goodness-of-fit statistics</th>
<th>Levels</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square (χ²)</td>
<td></td>
<td>2.631</td>
</tr>
<tr>
<td>Probability level (p)</td>
<td>&gt;0.05</td>
<td>0.452</td>
</tr>
<tr>
<td>χ²/df</td>
<td>&lt;2.00</td>
<td>2.631/3 = 0.877</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt;0.05</td>
<td>0.000</td>
</tr>
<tr>
<td>GFI</td>
<td>≥0.90</td>
<td>0.998</td>
</tr>
<tr>
<td>Comparative fit index (CFI)</td>
<td>≥0.90</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Figure 2 presents the structural model, where the test results should show not only direct relation between the variables, but also the indirect effect and total effect.

The variables in the chi-square tests have the below associations according to the analysis as exhibited in Tables 6 and 7.

Additionally, Table 8 exhibits the direct, indirect and total effect of the personnel methods and performance of the personnel.
Table 6  Hypotheses test results – relationship path coefficients

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>Independent variables</th>
<th>V3HRMP</th>
<th>V4OCB</th>
<th>V5JS</th>
<th>V6EEG</th>
<th>V7EM</th>
<th>V8HRF</th>
</tr>
</thead>
<tbody>
<tr>
<td>V4OCB</td>
<td></td>
<td>0.530***</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>V5JS</td>
<td></td>
<td>0.451***</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>V6EEG</td>
<td></td>
<td>0.565***</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>V7EM</td>
<td></td>
<td>0.341***</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>V8HRF</td>
<td></td>
<td>0.520***</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>V9EP</td>
<td></td>
<td>0.113</td>
<td>0.028</td>
<td>0.157**</td>
<td>0.066</td>
<td>0.173**</td>
<td>0.161**</td>
</tr>
</tbody>
</table>

*p < 0.01; ***p < 0.001.

Table 7  Hypotheses test results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path coefficients</th>
<th>t-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 : V3HRMP → V9EP</td>
<td>0.113</td>
<td>1.856</td>
<td>Not supported</td>
</tr>
<tr>
<td>H2 : V3HRMP → V4OCB</td>
<td>0.530***</td>
<td>12.654</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 : V3HRMP → V5JS</td>
<td>0.451***</td>
<td>10.243</td>
<td>Supported</td>
</tr>
<tr>
<td>H4 : V3HRMP → V6EEG</td>
<td>0.565***</td>
<td>13.857</td>
<td>Supported</td>
</tr>
<tr>
<td>H5 : V3HRMP → V7EM</td>
<td>0.341***</td>
<td>7.354</td>
<td>Supported</td>
</tr>
<tr>
<td>H6 : V3HRMP → V8HRF</td>
<td>0.520***</td>
<td>12.336</td>
<td>Supported</td>
</tr>
<tr>
<td>H7 : V4OCB → V9EP</td>
<td>0.028</td>
<td>0.466</td>
<td>Not supported</td>
</tr>
<tr>
<td>H8 : V5JS → V9EP</td>
<td>0.157**</td>
<td>2.804</td>
<td>Supported</td>
</tr>
<tr>
<td>H9 : V6EEG → V9EP</td>
<td>0.066</td>
<td>0.929</td>
<td>Not supported</td>
</tr>
<tr>
<td>H10 : V7EM → V9EP</td>
<td>0.173**</td>
<td>3.240</td>
<td>Supported</td>
</tr>
<tr>
<td>H11 : V8HRF → V9EP</td>
<td>0.161**</td>
<td>3.167</td>
<td>Supported</td>
</tr>
</tbody>
</table>

*p < 0.01, t-value > 2.576, ***p < 0.001, t-value > 3.291.

Table 8  Direct, indirect and total effect of HRM practices and employee performance

<table>
<thead>
<tr>
<th>Endogenous variable</th>
<th>Analysis and interpretations</th>
</tr>
</thead>
<tbody>
<tr>
<td>V9EP</td>
<td>( V9EP = 0.16** V5JS + 0.17** V7EM + 0.16** V8HRF )</td>
</tr>
<tr>
<td></td>
<td>Employee Performance is the result of the direct effects of Job Satisfaction, Employee Motivation and HR Flexibility, with path coefficients equalling 0.16, 0.17 and 0.16, respectively. These are all statistically significant.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exogenous variable</th>
<th>Analysis and interpretations</th>
</tr>
</thead>
<tbody>
<tr>
<td>V3HRMP</td>
<td>0.11 0.26 0.37</td>
</tr>
<tr>
<td>V4OCB</td>
<td>0.03 0.03 V4OCB = 0.53*** V3HRMP</td>
</tr>
<tr>
<td></td>
<td>Organizational Citizenship Behaviours have a direct effect on Human Resource Management Practices with path coefficient equalling 0.53, which is statistically significant.</td>
</tr>
</tbody>
</table>
Table 8  Direct, indirect and total effect of HRM practices and employee performance (continued)

<table>
<thead>
<tr>
<th>Endogenous variable</th>
<th>Analysis and interpretations</th>
</tr>
</thead>
<tbody>
<tr>
<td>$V9EP$ = $0.16** V5JS + 0.17** V7EM + 0.16** V8HRF$</td>
<td></td>
</tr>
</tbody>
</table>

Employee Performance is the result of the direct effects of Job Satisfaction, Employee Motivation and HR Flexibility, with path coefficients equalling 0.16, 0.17 and 0.16, respectively. These are all statistically significant.

<table>
<thead>
<tr>
<th>Exogenous variable</th>
<th>$V9EP$</th>
</tr>
</thead>
<tbody>
<tr>
<td>$V5JS$ 0.16 – 0.13</td>
<td>$V5JS = 0.45*** V3HRMP$</td>
</tr>
<tr>
<td>Employee Satisfaction has a direct effect on Human Resource Management Practices, with path coefficient equalling 0.45, which is statistically significant.</td>
<td></td>
</tr>
<tr>
<td>$V6EEG$ 0.07 – 0.06</td>
<td>$V6EEG = 0.57*** V3HRMP$</td>
</tr>
<tr>
<td>Employee Engagement has a direct effect on Human Resource Management Practices, with path coefficient equalling 0.57, which is statistically significant.</td>
<td></td>
</tr>
<tr>
<td>$V7EM$ 0.17 – 0.14</td>
<td>$V7EM = 0.34*** V3HRMP$</td>
</tr>
<tr>
<td>Employee Motivation has a direct effect on Human Resource Management Practices, with path coefficient equalling 0.34, which is statistically significant.</td>
<td></td>
</tr>
<tr>
<td>$V8HRF$ 0.16 – 0.12</td>
<td>$V8HRF = 0.52*** V3HRMP$</td>
</tr>
<tr>
<td>HR Flexibility has a direct effect on Human Resource Management Practices, with path coefficient equalling 0.52, which is statistically significant.</td>
<td></td>
</tr>
</tbody>
</table>

The model fit using causal path analysis model shows consistencies among HRM practices, employee performance, and theories used.

Figure 2  Operational prototype
5 Study results and discussion

Analysis of the data shows a different outlook with regards to association between the factors tested. Eight out of the eleven variables show a positive relationship while three are unsupported. Included in the unsupported hypotheses is H1, where there is no association among the personnel systems and the performance of the personnel’s of employee service quality. The results are contrary to Qureshi et al. (2010), whose study looked at the Pakistani cement industry and included varied levels of workers. In Bhatti and Qureshi (2007), data was conducted in 34 diverse organisations from the oil and gas, banking and telecommunication sectors in Pakistan. Singh and Mohanty’s (2012) study was carried out in both the manufacturing and service sector industries in India, whereas this study focused on the service industry in Thailand. Nevertheless, there are also the mediating variables that can affect the association between personnel management systems and performance of the employees. From the results, personnel management systems are indirectly related to employee performance of service quality through the mediating variables, meaning a relationship still exists between personnel management systems and employee service quality.

As for the association between personnel management systems and the negotiating variables, findings suggest on the whole an affirmative relationship. With regards to hypothesis H2, the personnel management systems are affirmatively related to the organisational citizenship behaviours ($\beta = 0.530^{***}$, $\rho < 0.001$), thus supporting Babaei et al. (2012), Cushman (2000) and Gong et al. (2010). It implies that personnel management systems need to be executed to develop a committed workgroup who are willing to be loyal to the organisation. Hypothesis H3 implies that the personnel management systems have an affirmative relationship with job satisfaction ($\beta = 0.451^{***}$, $\rho < 0.001$). Personnel management systems hence improve the employee morale leading to job satisfaction. Hypothesis H4 also affirms the association between the personnel management systems and employee engagement ($\beta = 0.565^{***}$, $\rho < 0.001$). Personnel management systems would build more positive employee engagement towards the work. Hypothesis H5 states personnel management systems have affirmative correlation with employee motivation ($\beta = 0.341^{***}$, $\rho < 0.001$). This shows how personnel management systems can encourage workers to do challenging work and work towards career success. With regards to hypothesis H6, there is an affirmative association between personnel management systems and HR flexibility ($\beta = 0.520^{***}$, $\rho < 0.001$), this supports the view that personnel management systems are suitable strategy to improve the employee flexibility to the dynamic environment. Through the personnel management systems, it has been identified that employees are competent to perform diverse job related activities efficiently.

Findings also confirm an affirmative association between the negotiating variables and staff service quality. The lone exceptions are hypotheses H7 and H9. Hypothesis H7 indicates that there is a negative association among the staff performance of service quality and the. With regards to hypothesis H8, exhibits a positive associative among the staff satisfaction and staff service quality ($\beta = 0.157^{**}$, $\rho < 0.01$), which is further supported by Halkos and Bousinakis (2010). This result implies that satisfied staff will perform better and take up challenging works for the benefit of the organisations. Hypothesis H9 affirms that there is negative association between the engagement of staff and performance of employee of service quality. The results of hypothesis H10 show an affirmative association between the motivation of staff and performance of staff.
This is confirmed by Solomon et al. (2012), meaning motivated employees will perform better for the company. The results of hypothesis H11 confirm that personnel flexibility has an affirmative association on staff service quality ($\beta = 0.161**$, $\rho < 0.01$), thus confirming Rosenblatt and Inbal (1999). This affirms the fact that staff with distinctive functional flexibility tend to be effective and efficient in the workplace.

6 Research contributions and managerial implications

This research establishes a model relating personnel management practices and service quality performance of employees which can help both organisations and academics to understand that employee service quality cannot be determined by HRM practices alone. There are other factors, such as employee behaviours, that can also have an effect on employee performance. In this study, they are the mediating variables that help establish a relationship, albeit indirectly, between personnel management practices and the performance of the employees. The importance of personnel management practices should, therefore, not be ruled out. Results have confirmed the conceptual model and important aspects of HRM practices in Thailand’s chained-brand hotels that can be used in other business.

Many organisations including hotel industry have tried creating HRM management tools which unfortunately have ignored HRM practices. As shown in this study HRM practices are an important consideration for firms. By employing HRM practices and taking into account employee behaviours, managers can increase the likelihood that their employees will perform better at work and with the quality level expected. Worker participation is part of the set of practices to be encouraged. Employees need to be part of process where policy information is shared, comments sought and positive employee interaction promoted to achieve the firms’ goals.

Managers in Thailand’s chained-brand hotels should devise a comprehensive compensations systems which includes recognition and rewards for desired performance, an agreed benchmark on work, and equity in application and distribution of benefits to the various levels of workers.

Chained-brand hotels in Bangkok should further develop a career planning system so employees can map their individual long term vision. Career planning should allow for lateral and vertical movement thus allowing for versatility in staff abilities. It might be even be considered a duty for firms to assist in workforce career enhancement. Creating effective and timely training and development is the start and requires continuous follow-up for proper assessment, future training and analysing job satisfaction. Companies can use training options as a means of employee autonomy and empowerment in their jobs.

HRM practices have an effect on the mediating variables which subsequently positively impact employee service quality performance. Out of the five mediating variables, motivation has the strongest effect. Thus managers should develop programs that encourage employees to contribute ideas that would be implemented at work, lead initiatives and fulfill their ambitions.

Academics should use this new model to generate curricula whereby HRM practices such as job satisfaction, employee motivation and HR flexibility are stressed using empirical data such as that in this study.
There are a few shortcomings to this research. Mainly, the research was conducted using chained-brand hotels in Thailand and was limited to Bangkok. Thus, conclusions only represent a subset of all hotels in Thailand. Further the study needs expansion to include other forms of hotels, other regions in Thailand and other countries in South East Asia.

7 Conclusion

In spite of the shortcomings, this research has given good insight on the various perspectives of how personnel management practices and employee behaviours, as negotiating variables, affect employee service quality as an important performance in chained-brand hotels. Employee service quality performance is a key determinant of a hotel and other hospitality performance, and this study helps to explain the indirect relationships among these variables. However, these variables are not the only factors that can determine employee service performance in organisations. There are other factors involved besides the five main employee behaviours that have been discussed.

Companies have to consider other attributes to establish the employee service quality as performance outcome of organisations, such as employee ability and competencies, organisational human resource development programs.

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Sequels of HRM pr axes on service quality of employees


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