

# Intellectual Capital and Guest Delight among Selected Hotels in Kampala

By

Geoffrey Muhoro

2010/HD10/2784K

A Dissertation Submitted to Makerere University Business School in Partial Fulfilment  
of the Requirements for the Award of Degree of Master of Business Administration of  
Makerere University

**July 2012**

## DECLARATION

I, **Geoffrey Muhoro**, declare that this is my original work and has not been submitted for the award of a degree in any other University or institution of higher learning for academic purposes.

.....

Geoffrey Muhoro  
2010/HD10/2784K

.....

Date

## APPROVAL

This dissertation has been submitted with our approval as the supervisors.

.....

Dr. Nixon. A Kamukama

.....

Date

.....

Mr. Nkuutu Geoffrey

.....

Date

## **DEDICATION**

To my kids, Cheryl and Ryan:

Thank you for keeping me awake.

## **ACKNOWLEDGEMENT**

My initial thanks goes to our Almighty Father for giving us the gift of life.

I wish to thank my supervisors Dr. Nixon Kamukama and Mr. Nkuutu Geoffrey for their guidance and encouragement during my undertaking of this research work.

My deep heartfelt gratitude goes to all those individuals who made their contributions towards the success of this research including the University management and lecturers whose work and sacrifice were instrumental in the completion of the course.

I wish to equally thank all the respondents who sacrificed their precious time and energy to fill in the questionnaires in their most occupying moments.

## **ABSTRACT**

Based on online reviews on hotels in Kampala, the researcher noted a trend in which guests were not being delighted by the services being offered in the hotels. From existing literature, the most likely reason that would impact on guest delight was suspected to be intellectual capital. The study thus examined the relationship between intellectual capital and guest delight among selected hotels in Kampala.

A cross sectional research design was used in establishing the relationship between intellectual capital and guest delight. Data was collected using a 5 point closed end questionnaire. The unit of analysis of 38 hotels were selected using simple random technique while unit of inquiry consisting of staff and guests of the hotels were drawn using purposive sampling and convenience sampling respectively.

The study findings revealed that a positive significant relationship existed between intellectual capital and guest delight. ( $r=.625^{**}$ ,  $p<0.01$ ). It was further found out that the intellectual capital that consisted of human, relational and structural capital contributed 43% of guest delight.

From the study, it was found out that human capital is the most key element of intellectual capital that contributed towards guest delight, followed by relational capital. The managerial implications is that hotel management should focus on developing employees and creating long time relationships with clients in a bid to achieve guest delight.

# TABLE OF CONTENTS

	<i>Page</i>
Declaration .....	i
Approval .....	ii
Dedication .....	iii
Acknowledgement .....	iv
Abstract .....	v
Table of Contents .....	vi
List of Acronyms .....	ix
List of Tables and Figures.....	x

## CHAPTER ONE

### INTRODUCTION

1.1	Background to the Study.....	1
1.2	Statement of the Problem.....	2
1.3	Purpose of the Study .....	3
1.4	Objectives of the Study.....	3
1.5	Research Questions.....	3
1.6	Scope of the Study .....	3
	1.6.1 Subject Scope .....	3
	1.6.2 Geographical Scope.....	4
1.7	Significance of the Study.....	4
1.8	Conceptual framework.....	5
	1.8.1 Conceptual framework.....	5

## CHAPTER TWO

### LITERATURE REVIEW

2.0	Introduction.....	7
2.1	Concept of Intellectual Capital .....	7
2.1.1	Human Capital and Guest Delight .....	7
2.1.2	Relational Capital and Guest Delight .....	9
2.1.3	Structural Capital and Guest Delight.....	10
2.2	Intellectual Capital and Guest Delight.....	11
2.3	Conclusion.....	13

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

3.1	Introduction.....	14
3.2	Research Design.....	14
3.3	Study Population.....	14
3.4	Sample Design and Size.....	14
3.5	Data Sources .....	16
	Primary Sources .....	16
	Secondary Sources .....	16
3.6	Data Collection Instruments .....	16
3.7	Reliability and Validity of Research Instruments.....	16
3.8	Measurements of the Research Variables .....	17
3.9	Data Analysis.....	18

## **CHAPTER FOUR**

### **PRESENTATION, ANALYSIS AND INTERPRETATION OF THE FINDINGS**

4.1	Introduction.....	19
4.2	Demographic Characteristics of the Unit of Inquiry.....	19
	Gender of Respondents .....	19
	Level of Education Respondents.....	20
4.3	Characteristics of the Unit of Analysis .....	21
	Year in operation .....	21
	Part of chain .....	21
	Ownership .....	22
	Number of restaurants .....	23
	Number of rooms.....	23
	Health club.....	24
	Swimming pool.....	25
4.4	Factor Analysis .....	26
	Introduction .....	26
	Intellectual Capital .....	26
	Guest Delight.....	27
4.5	Correlation Analysis .....	28
	Relationship between Human capital and Guest delight.....	29
	Relationship between Structural capital and Guest delight.....	29
	Relationship between Relational capital and Guest delight .....	29
	Relationship between Intellectual capital and Guest delight.....	29
	Descriptive Statistics .....	29



	Control Variables.....	30
4.6	Regression Analysis.....	30

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

5.1	Introduction.....	31
5.2	Discussion of the Findings.....	31
	Relationship between Human capital and Guest delight.....	31
	Relationship between Structural capital and Guest delight.....	32
	Relationship between Relational capital and Guest delight.....	33
	Relationship between Intellectual capital and Guest delight.....	33
5.3	Conclusion.....	34
5.4	Recommendations.....	35
5.5	Areas for Further Research.....	35
5.6	Limitations to the Study.....	38
	References.....	39
	Appendix	

## **LIST OF ACRONYMS**

GKMA - Greater Kampala Metropolitan Area

## LIST OF TABLES

3.1	Response rate .....	14
3.2	Cronbach's Alpha Coefficient and Content Validity Index.....	15
4.1	Gender of the Respondents .....	18
4.2	Level of Education of the Respondents .....	19
4.3	Years in operations .....	20
4.4	Part of chain .....	20
4.5	Ownership .....	21
4.6	Number of restaurants.....	22
4.7	Number of rooms .....	22
4.8	Health club .....	23
4.9	Swimming pool.....	24
4.10	Rotated Component Matrix for Intellectual capital .....	25
4.11	Rotated Component Matrix for Guest delight .....	26
4.12	Multiple correlation table.....	27
4.13	Regression model.....	29

## LIST OF FIGURES

1.0	Conceptual Framework.....	5
-----	---------------------------	---

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

The United Nations World Tourism Organization describes the tourism, hospitality and leisure industry as enormous (Davidson, McPhail & Barry, 2011). Since 2004, the Uganda hotel sector has grown considerably. Prior to 2004, the Sheraton was the only hotel that was affiliated to an international chain; today, the Protea and Serena hotel are key players in the market. With the growth, competition has set in and preliminary inquiries in within the hotel industry reveal that today's hotel customer demands not only value for money; but also demands for a memorable experience (Leading Hotels of the World, 2010); this requires meeting and exceeding the guest expectations; it calls for guest delight.

According to Berman (2005, 2009), delight is a feeling of great pleasure or joy and it results to an emotionally positive and memorable experience. A further distinction between customer satisfaction and customer delight has been made in which delight is defined as a positive emotional response to a surprising product attribute or service encounter (Berman, 2005). It is more positively correlated with customer loyalty, positive word of mouth and repeat purchase. The pursuit for guest satisfaction and ultimately guest delight requires creating competitive advantages. Stiles and Kulvisaechana (2004) as cited in Kamukama, Ahiauzu & Ntayi (2011) recognizes that the answer to competitive challenges lies in investments and management of assets that are valuable, rare and hard to imitate; such resources are unique and specific to a firm (Porter, 1999) as cited by Kamukama et al., (2011). Hitt et al., (2001) argues that intellectual capital resources are more likely to create that competitive advantage, which results to a more superior performance as cited in Kamukama et al., (2011). Marti (2007) recognizes that intellectual capital is a key determinant of the process of value

creation. Stewart (1997) defines intellectual capital as the intellectual material that has been formalized, captured, and leveraged to create wealth by producing a higher-valued asset. Bontis as cited by Engstrom, Westnes & Westness, (2003) states that Intellectual Capital is comprised of human capital, structural capital and relational capital.

TripAdvisor.com is the world's largest travel site which attracts more than 65 million unique monthly visitors across 19 popular travel brands (comscore mediametrix, worldwide August 2011). The site operates in over 30 countries and generated revenues amounting to \$ 486M in 2010 (NASDAQ:EXPE). The site has over 520,000 member hotels, who subscribe to the site with the intention of growing their revenues through positive client referrals (Trip Advisor August, 2011). The site receives candid reviews from guests of the member hotels. As at 31st August, 2011, 42 hotels in Kampala were members of tripadvisor.com. According to client reviews, 65% of the clients would not recommend the hotels to potential clients via positive word of mouth, while a further 36% of the clients would not stay with the hotels again.

The study thus seeks to establish whether any relationship exists between intellectual capital and guest delight.

## **1.2 Statement of the Problem**

According to Kline et al. (2006), a delighted customer will generate positive business results such as positive word of mouth, loyalty and increased profitability. From the guest reviews, it is evident that the guests are not delighted; the major reasons why clients did not enjoy the service encounter were delay in service delivery, not attending to guest requests, poor house -keeping practices, lack of guest acknowledgement and management inefficiency to act on customer complaints. It is suspected that lack of soft skills by service staff, inappropriate work methods and low levels of networks

within the service industry; which all encompass intellectual capital have created barriers in achieving guest delight.

### **1.3 Purpose of the Study**

The purpose of the study was to establish the relationship between intellectual capital and guest delight among selected hotels in Kampala.

### **1.4 Objectives of the Study**

- i) To establish the relationship between human capital and guest delight
- ii) To establish the relationship between structural capital and guest delight
- iii) To establish the relationship between relational capital and guest delight
- iv) To establish the relationship between intellectual capital and guest delight

### **1.5 Research Questions**

- i) What is the relationship between human capital and guest delight?
- ii) What is the relationship between structural capital and guest delight?
- iii) What is the relationship between relational capital and guest delight?
- iv) What is the relationship between intellectual capital and guest delight?

### **1.6 Scope of the Study**

#### **1.6.1 Subject Scope**

The study aimed at establishing the relationship between intellectual capital and guest-delight in the hotel industry.

### **1.6.2 Geographical Scope**

The study was carried out in Kampala and targeted the Kampala hotels which had been reviewed on Trip Advisor.com as at 31st August 2011(Trip Advisor, 2011). The scope was limited due to resource constraints but it is expected that the findings are general across the hotel industry.

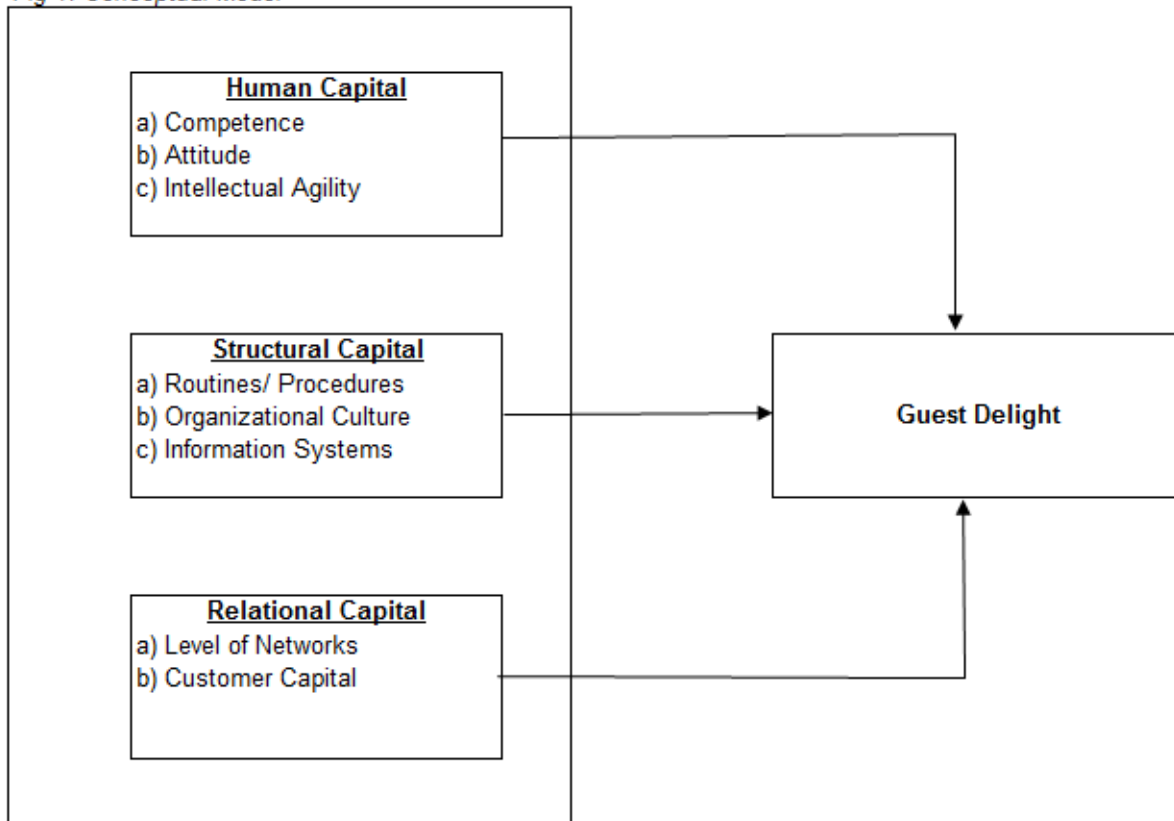
The Kampala area as is covers the areas of Mukono, Mpigi, Bombo, Entebbe, Wakiso and Gayaza as defined in the National Transport Master Plan and has been referred to as Greater Kampala Metropolitan area (GKMA).

### **1.7 Significance of the Study**

- i) In the growing hotel industry, the study is expected to provide an insight of how intellectual capital can be used to create a competitive edge.
- ii) The study is expected to reveal the components of intellectual capital that are under developed within the hotels.
- iii) The study is expected to reveal components of intellectual capital that hinder guest delight.
- iv) This study is expected to be useful to policy makers in the hotel industry who design policies that add value to hotel services in developing countries like Uganda. Strategies that make guest happy with hotel services may have to be developed such as compulsory guest feedback policy on hotels services
- v) This study has added to the existing literature on guest delight and intellectual capital carried out by researchers in developed and developing countries

## 1.8 Conceptual Framework

Fig 1: Conceptual Model



Adopted from Bontis, (2006), Kamukama et al (2011), Hassan et al(2011)

### 1.8.1 Explanation of the Conceptual Model

According to Torres and Kline (2006) employees who delight are likely to exhibit different personality characteristics than those who merely satisfy. Employees with well-developed soft skills are able to handle guests more professionally both in terms of handling complaints and also anticipating guest's needs. Good attitude and self-confidence further during the service encounter contributes to making the encounter delightful. Where standard operating procedures exist they define a basic minimum of the offer to a guest. Thus, if standard operating procedures require that a guest is acknowledged by first name upon check in, then continuous application of the procedure puts the guest at ease and this helps towards making him delighted. Where relationships are created



and especially with the customers, one is able to know understand their needs in a better way and thus develop products geared at delighted them e.g. developing a relationship with the Muslim clients and creating a menu for breaking fast during Ramadan.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

The literature reviewed in the study is cited mainly from studies carried out in developed countries and analyzed in relation to its applicability to the Ugandan situation with reference to the study objectives outlined in this study.

#### **2.1 Concept of Intellectual Capital**

In general many scholars have acknowledged the continued difference between a company's book value and the company's market value, which they have referred to as intellectual capital (Pablos, 2003; Schiuma and Lerro, 2008) as cited by Phuvsat and Comepa (2011). Caddy (2000) and Powell (2001) as cited by Marti (2007) both point out the existence of intellectual liabilities or competitive disadvantages, which have a negative effect on the company's process of value creation. They thus argue that intellectual capital should be the difference between the competitive advantages and the competitive disadvantages. The general consensus among most scholars is that intellectual capital consists of human capital, structural capital and relational capital (Bontis, Chong & Richardson, 2006).

##### **2.1.1 Human Capital and Guest Delight**

Human capital presents the individual stock of knowledge embedded in a firm's collective ability to extract the best solutions from its individual employees (Bontis et al., 2006). Phusavat and Comepa (2011) summarize by stating that human capital represents the collective capabilities of a company's workforce to solve customer and operational problems (e.g. quality, productivity, technical). Bontis

(1999) as cited by Chen, Cheng & Hwang (2005) states that unlike structural and relationship capital that belongs to firm, a distinctive feature of human capital is that it may disappear as employees exit. According Lin and Liang (2011), several academics (Matilla and Enz; 2002, Oliver; 1997, Richins;1997, Isen;1997 and Shalke, Westbrook;1991 and Oliver, Forgas;1995, Barger and Grandale;2006 & Gorn et al;1993..) recognize the role of customer emotions on service appraisal; a positive emotion will lead to a positive reaction and less critical thinking when making judgments, this increases service performance appraisals such as satisfaction. Pugh as cited by Ling and Liang (2011) found that when service employees smile, increase eye contact, display gratitude, and extend greetings, customers experience more positive emotion. Barger and Grandey as cited by Ling and Liang (2011) explains that positive emotional displays by employees will impact positively on the customers and thus enhancing the service encounter. Scheider and Bowen (1995, 1999) further suggest that when the human resource managers satisfy their employee needs, the efforts will transfer from the employees to customers.

Torres and Kline (2006) point out that by having proper policies and well trained employee, one can convert mistakes to opportunity and delight. Policies and training are core elements of structural and human capital respectively. Verma (2003) identified delighters to include employee politeness, respect, friendliness consideration, taking personal interest in the customers' problems and needs and solving them and going beyond the call of duty.

Ascente (2010) brings out the paradox of many work places that are structured to suppress innovation, creativity and initiative; this is in contrast with the predominant theme that capitalizing on the talents of knowledge workers entails creating a culture built on trust, respect and empowerment that encourages and supports professional autonomy, innovation, creativity self - direction, intrinsic motivation, knowledge sharing and teamwork. Reichheld as cited by Navvarro

(2002) however asserts that unless human capital is translated to organizational capital, then the organization will never benefit from it as employees harvest the benefits themselves.

### **2.1.2 Relational Capital and Guest Delight**

Bontis (2001) defines relational capital as that which captures the relationships with third parties, be they customers or suppliers. The scholars Karagianis et al., 2009; Roos and Roos, (1998) and Edvinsson, (1997) as cited by Leger (2010) refer to relational capital as that part of a company's market value that is attributable to its portfolios of business relationships. Day as cited by Navarro (2002) acknowledges importance of customers to a firm because they have a direct impact on the firm's performance and on the long term survival of the firm. Buenos (1998) however argues that the most important agents that a firm has relationships with are stake holders as they have a vested interest in the decisions faced by an organization. He furthers his argument by stating that at an individual learning level, stakeholders who are in touch with employees, suppliers, clients and other stakeholders of different firms will have an information exchange, which upon proper utilization leads to creation of new knowledge.

Verde, Lopez, Gonzalez & Salvado sum relational capital as the set of knowledge obtained by a firm from its relations with agents of its environment and provides the firm with a knowledge base to carry out its operations more efficiently. Leger (2011) acknowledges that firms have become increasingly dependent on the web of business partners to deliver customer value; such dependencies give rise to relationship capital and a firm needs to commit resources in terms of time and money to develop and maintain these relationships (Leger, 2011). Inkepen et al., (1997); Parkhe, (1993) as cited by Vidot (2006) explain a dark side of relational capital where one firm may not abide by the

terms of the agreement in order to exploit the other for short term gains. They refer to this as opportunism which is characterized by calculated efforts to mislead or confuse the other party.

### **2.1.3 Structural Capital and Guest Delight**

Ordenez de Pablos (2004) refers to structural capital as that knowledge that has been organization in form of the organization processes, structures, technologies, policies and culture and is as a result of learning at the organization level. The author further appreciates that the biggest challenge for the firm is how to transfer this knowledge from the individual to the firm.

Marti (2007) defines structural capital as the company's formal and informal organization structure, work methods and procedures, softwares, management systems and culture. He further explains that such assets are owned by the company and some can be legally protected. Roos et al., (1997) as cited by Zangouseinezahad and Moshabaki (2008) describes structural- organizational capital to include all non- human reserves of knowledge in the organizational embracing database, organization charts, and executive instructions of processes, strategies, administration programs and such like items whose significance for the organization is higher than its material value. The authors classify the capital into organization culture, organization learning, operating processes and information systems. Boisot (2002) as cited by Ordenez de Pablos (2004) defines structural capital as "value added by the nonlinearities of the knowledge creation process that is assumed to reside." Inputs to this process are provided by human capital and the company acting as the residual claimant captures the surplus. Structural capital is further divided into organization and technological capital; where organization capital refers to all aspects that are related to the organization of the company and its decision making process such as organization culture, structural design, coordination mechanisms, and organization routines and planning and control systems. Technological capital on the other hand

includes all technical and industrial knowledge like results from research and development. Benevene and Cortini (2010) further the above concept by stating that Structural Capital supports a supportive infrastructure for human resources. This requires an organization culture that is able to create and store knowledge as culture is what provides for the basis of organization's management.

## **2.2 Intellectual Capital and Guest Delight**

Parayani (Crick and Spencer, 2010) states that the hospitality industry and hotels in particular have witnessed increasing competition for high quality service and customer satisfaction. Zeithmal and Bitner (2000) define expectations as beliefs that customers hold about a product or service performance that function as standards or reference points against which performance is judged. Berman (2005) developed a rating for perception to either be outrage, dissatisfaction, satisfaction or delight.

The voice group (2008) differentiates satisfaction and delight by specifying much as both have the element of perception, satisfaction occurs when the client expectations are met; delight only occurs when the expectations are exceeded and the client also gets what he desires. Clemmer (1990) and Levitt (1983) as cited in Rust and Oliver (2000) use the concept of concentric rings to explain delight where the inner ring reflect the basic attributes of an offer that are a "must have"; the adjacent ring contain the satisfiers which are provided beyond the basic offer whereas the third and outmost ring contains the "delight" which are the offer attributes that are unexpected but surprisingly enjoyable. Kumal et al as cited by Torres and Kline (2006), Liljander and Strandvik, Stauss and Neuhaus, Oliver et al. & Wong as cited by Ling and Liang (2011) explain that customers experiencing more positive emotions during service encounters will also be more likely to visit again and spread positive word-of-mouth, building loyalty. Such attributes are associated with delight

(Berman, 2005). Rust and Oliver (2000) also explain the staying power of delight in which they explain that for the efforts to create delight to be worthwhile, then the delight should be memorable as opposed to just momental. According to Wayne (2010), despite associating delight with strong positive emotional reaction, the authors Oliver, Rust and Varki (1997) have failed to clearly define the emotion.

McNeilly and Barr (2006) argue that creating delight requires effort on the part of product or service provider. A guest whose expectations are met may or may not come back while a guest who has been delighted will not only make a repeat purchase but will also give a positive word of mouth reference. Bloomer et al. as cited by Manoj and Sunil (2011) explain that perceived service quality, perceived value and customer satisfaction have traditionally been associated with customer retention. Berman, Finn, McNeilly and Barr as cited by Crotts and Pan (2008) all agree that customer delight has the most potential to influence future customer behaviour.

Rust and Oliver (2000) however point out that some critics object the goal of delighting clients as this raises the expectation bar higher the next time a purchase is made. McNeilly and Barr, (2006) further the argument against delight by recognising that the costs associated with delight strategy may not be worth the benefits. Ngobo (1999) recognises the existence of delight by defining it as 100% customer satisfaction; he however states that creating delight may not be worth the effort because there are threshold points where the effect of satisfaction on loyalty increases at decreasing rates and the firm thus stops reaping the benefits of customer satisfaction in terms of customer loyalty. Torres and Kline (2006) as cited by Crotts et al., argue that the ability to meet and exceed customers' expectations is a key determinant of guest satisfaction; this in turn has a direct and positive impact of the economic viability of any hospitality organization.

## **2.3 Conclusions**

Conclusively, it's worthy to note that intellectual capital in the form of human, structural and relational has an impact on customer behavior in different industries. Pugh as cited by Ling and Liang (2011) found that when service employees smile, increase eye contact, display gratitude, and extend greetings, customers experience more positive emotion. Torres and Kline (2006) point out that by having proper policies and well trained employee, one can convert mistakes to opportunity and delight. Edvinsson, (1997) as cited by Leger (2010) refer to relational capital as that part of a company's market value that is attributable to its portfolios of business relationships. Buenos (1998) however argues that the most important agents that a firm has relationships with are stake holders as they have a vested interest in the decisions faced by an organization. Benevene and Cortini (2010) further the above concept by stating that Structural Capital supports a supportive infrastructure for human resources. This requires an organization culture that is able to create and store knowledge as culture is what provides for the basis of organization's management.

McNeilly and Barr (2006) argue that creating delight requires effort on the part of product or service provider. A guest whose expectations are met may or may not come back while a guest who has been delighted will not only make a repeat purchase but will also give a positive word of mouth reference.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter presents a description of research methodology that was used to carry out this study. It covered the research design, study population, sampling design and size, data sources, data collection instruments, reliability and validity of research instruments, measurements of research variables, data processing/analysis, and limitations to the study.

#### **3.2 Research Design**

The study used a cross-sectional research design combined with descriptive and analytical methods.

#### **3.3 Study Population**

The study population targeted a population of 42 Kampala member hotels of trip advisor.com as of 31<sup>st</sup> August 2011 (Trip Advisor.com, 2011).

#### **3.4 Sample Design and Size**

From the population, a sample of 38 hotels were drawn in line with Krejcie and Morgan (1970) table guide for sample selection which states that a sample will always be selected as a representative of a given population. A sampling frame of all the targeted hotels was done where all the 42 hotels were listed. A sample was then drawn out using simple random sampling where the researcher wrote all the names of the hotels on small pieces of paper. The papers were folded and put into a covered jar. The researcher would put his hand into the jar, draw out one piece of paper and shake the jar again until the sample size was reached. No replacements of the drawn pieces were done. The pieces of

paper were then unfolded and the names of the hotels listed down as the sample. The sample drawn hence formed the unit of analysis.

The units of inquiry consisted of front line staff and guests of the hotels.

Purposive sampling method was used to select the front line staff where the researcher specifically targeted front line staff of the hotels. Front line staff were targeted since it was felt that they were best suited to answer questions pertaining to guests. The front line staff were used to collect data from guests using convenience sampling where only the questionnaire was only filled in by guests who agreed to be part of the survey.

A total of 380 respondents was targeted as the unit of inquiry. This is in line with Ntoumanis (2001) and Field (2006) as cited by Kamukama et al (2011) who state that the ratio of participants to independent variables for multiple regressions should be at least 5:1 or 10:1 (i.e. for every one independent variable, 5 or 10 participants should be able to provide an answer. Ngoma (2009) as cited by Kamukama et al (2011) has used adopted and used a minimum of 3 respondents per firm.

Out of a total of 380 questionnaires that were sent out, 345 questionnaires were returned and thus a response rate of 91% as shown in table 3.1 below.

*Table 3.1 Showing Response Rate*

<b>Description</b>	<b>Questionnaires sent out</b>	<b>Questionnaires received back</b>	<b>Response Rate</b>
Respondents	380	345	91%

*Source: Primary data*

### 3.5 Data Sources

#### 3.5.1 Primary Sources

Primary data was collected from front line staff and guests who work in the different hotels using closed ended questionnaires.

#### 3.5.2 Secondary Sources

Secondary sources used in this study were got from Uganda Hotel Owners Association, Trip Advisor.com and the Monitor business directory where the physical addresses of the hotels was derived.

### 3.6 Data Collection Instruments

Self-administered 5 point likert – type closed Questionnaires was used to collect data.

#### 3.7 Reliability and Validity of Research Instruments

Closed questionnaire was developed in harmony with the guidelines specified by Sekaran (2000). First, an item analysis was done to see whether the items in the instrument belong there and a pre – test was carried out to check validity and reliability so as to minimize on vagueness of the results to be generated.

*Table 3.2 Showing Cronbach Alpha and CVI results*

Variable	Anchor	Cronbach Alpha	Content Validity Index
Human Capital	5 Point	.721	.786
Structural Capital	5 Point	.712	.833
Relational Capital	5 Point	.710	.714
Intellectual Capital	5 Point	.798	.914
Guest Delight	5 Point	.718	.893

*Source: Primary data*

Validity was measured basing on a factor analysis which confirms the dimensions of the concept that have been operationally defined, to ensure appropriateness of results. Reliability (internal consistency and stability) of the instrument was tested using Cronbach's Alpha Coefficient which should be above 0.7 (70%) (Cronbach, 1951). The researcher tested inter – item consistency reliability to ensure that there is the consistency of respondents' answers to all items in the measure.

### **3.8 Measurements of the Research Variables**

Intellectual capital was measured using the dimensions of Human Capital, Relational Capital and Structural Capital as defined by Roo (1998), Sveiby (2001), Pablos (2004), Bontis *et al.*, (2002), Shirley (1997), and Sharma (2005).

Human capital was measured using the dimensions of employee know who, education, vocational qualifications, work – related knowledge, work – related competence, entrepreneurial spirit, innovations, proactive and reactive abilities, and changeability developed by Sveiby (2001) and Petty and Guthrie (2004).

Structural capital was measured using the dimensions of trust among employees, firms' corporate culture, level of knowledge codification, teamwork and quality of information systems as developed by Bontis *et al.* (2002) and Brooking (1996).

Relational capital was measured using the dimensions of network levels, customer capital and level of marketing channels as developed by Malone (1997); Rindfleisch and Moorman (2001); Heng-Chiang and Chia-wen (2007).

Guest delight was measured using eight dimensions of unusual ambience, problem solving gestures, giving undue favour , by passing the system to assist , caring, helpful and willing to help, prompt

feedback and giving a VIP feel as defined in the model developed by Hasan, Raheem & Subani (2011).

### **3.9 Data Processing and Analysis**

Data collected from the primary source was compiled, sorted, edited for accuracy and clarity and classified. Computerised data analysis tool known as SPSS 17.0.

Frequency tables were used to describe the sample characteristics while correlation was used to test the study objectives. Regression analysis was used to measure the prediction potential of the independent variable on the dependent variable.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

In this chapter, the results and interpretation of the research respondents are presented. The presentation is guided by the research objectives and as a result, the statistics are a reflection of what it takes to answer the research questions. The beginning of the chapter presents the background information of the respondents and characteristic of the hotels.

#### 4.2 Demographic Characteristics of the Unit of Inquiry

The demographic characteristics of the respondents included the gender and level of education, were presented in tables 4.1– 4.2

##### 4.2.1 Gender of the Respondents

The finding in table 4.1 below shows gender of respondents.

*Table 4.1 Showing gender distribution and category of respondents*

Gender	Frequency	Valid Percent	Cumulative Percent
Male	127	36.8	36.8
Female	218	63.2	100.0
<b>Total</b>	<b>345</b>	<b>100.0</b>	

*Source: Primary data*

From the table 4.1 above, it shows that majority of the respondents were female (63%), while the male constituted 37% of the sample. Overall, the sample showed that majority of the respondents used in this study were female.

#### 4.2.2 Education Level of the Respondents

The finding in the table 4.2 below shows level of education of the respondents.

*Table 4.2 Showing level of education and category of respondents*

Educational Level	A	Diploma	Degree	Post Graduate	Total
Count	9	68	191	77	345
%	3%	20%	55%	22%	100%

*Source: Primary data*

From the table 4.2 above, the result show that the highest number of respondents had degrees (55%) as compared to A-level, diploma and post graduate qualifications who had 3%, 20% and 22% respectively.

### 4.3 Hotel Characteristics

#### 4.3.1 Years in Operation by the Hotels

The finding in the table 4.3 below shows years that the hotels have been in operations.

*Table 4.3 Showing numbers of years the hotels have been in operations*

Years In Operation	Frequency	Valid Percent	Cumulative Percent
Less than 6	14	36.8	36.8
06 – 10	15	39.5	76.3
11 – 15	2	5.3	81.6
Over 15	7	18.4	100.0

*Source: Primary data*

According to table 4.3 above, majority (82%) of the hotels had been in operation for the period between 11 – 15 years while 76% were in operation for the period between 6 – 10 years. Analysis also indicates that 36% of the hotels were in operation for less than 6 years. However, only 7 hotels have been in operation for more than 15 years. This implies that most of the hotel used in the study had been in operation for the period between 6-10 years.

#### 4.3.2 Part of a Chain

The finding in the table 4.4 below shows whether the hotel is part of a chain.

*Table 4.4 Showing whether the hotel is part of a chain*

Hotel Part Of Chain	Count	Valid Percent	Cumulative Percent
Yes	26	68.4	68.4
No	12	31.6	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	

*Source: Primary data*



From table 4.4 above, the result indicate that majority (68%) of the hotels that were used in the study were part of a chain while only 32% were not part of a chain. This implies that most the hotel used in the study operated as a chain.

### 4.3.3 Ownership

The finding in the table 4.5 below shows the ownership structure of the hotels.

*Table 4.5 Showing ownership structure of the hotels*

Ownership of Hotel	Count	Valid Percent	Cumulative Percent
Chain	3	7.9	7.9
Individual	35	92.1	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	

*Source: Primary data*

From the results in table 4.5 above, most (92%) of the hotels used in the study were under individual ownership compared to only 8% that were under chain ownership. This implies that most of the hotels used in the study were under individual ownership.

#### 4.3.4 Number of Restaurants

The finding in the table 4.6 below shows the number of restaurants in the hotels.

Table 4.6 Showing number of restaurants in the hotels

Number of Restaurants	Count	Valid Percent	Cumulative Percent
One	31	81.6	81.6
Two	4	10.5	92.1
Three	2	5.3	97.4
Four	1	2.6	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	

Source: Primary data

According to table 4.6 above, 82% of the hotels had one restaurant in it while 11% had two restaurants, followed by 5% and 3% of the hotels having three and four restaurants respectively. The result implies that only most of hotels only had one restaurant offering services to their guests.

#### 4.3.5 Number of Rooms

The finding in the table 4.7 below shows the number of rooms in the hotels.

Table 4.7 Showing the number of rooms in the hotels

Number of Rooms	Count	Valid Percent	Cumulative Percent
less than 51	17	44.7	44.7
51 – 100	14	36.8	81.6
101 – 150	3	7.9	89.5
Over 150	4	10.5	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	

Source: Primary data

From table 4.7 above, only 10% of the hotels used in the study had over 150 rooms while 8% had between 101 – 150 rooms. Further analysis indicate that 37% of the hotels had between 51 – 100 rooms compared to majority (45%) which had only less than 51 rooms. This implies that majority of the hotels used in the study had less than 51 rooms.

#### 4.3.6 Health Club

The finding in the table 4.8 below shows availability of health club in the hotels.

*Table 4.8 Showing existence of health clubs in the hotels*

Having Health club	Count	Valid Percent	Cumulative Percent
Yes	24	63.2	63.2
No	14	36.8	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	

*Source: Primary data*

From table 4.8 above, majority (63%) of the hotels had health club facilities while 37% did not own any. This implies that most of the hotels used in the study owned health clubs for the guest use.

### 4.3.7 Swimming Pool

The finding in the table 4.9 below shows existence of swimming pool in the hotels.

Table 4.9 Showing the existence of swimming pools in the hotels

Having Swimming Pool	Count	Valid Percent	Cumulative Percent
Yes	24	63.2	63.2
No	14	36.8	100.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	

Source: Primary data

According to the findings in table 4.9 above, majority of the sample, (63%) of the hotels had swimming pools while 37% did not have.

## 4.4 Factor Analysis

### 4.4.1 Introduction

Factor analysis was used to extract the most important factors that measured the study variables. These factors explained patterns of correlation between the dependent and independent variables. The principal component analysis extraction method and varimax rotation methods were used to extract and reduce on the many items into few and relevant factors that can be worked on. Only items with a weight of more than 0.5 were considered.

#### 4.4.2 Factor Analysis Results for Intellectual Capital

The principal component analysis was used to analyze the fifteen (15) dimensions of intellectual capital. This is shown in table 4.10 below.

Table 4.10 Showing factor analysis results for intellectual capital

	<i>Human Capital</i>	<i>Relational Capital</i>	<i>Structural Capital</i>
The hotel staff attitudes has always enabled them perform beyond the hotel expectations	.684		
The hotel staff always share their expertise and skills with their colleagues	.741		
The hotel staff have enough experience that enables them meet client needs	.706		
The hotel staff are competent enough to handle all the task assigned to the in order to provide better services to guests	.653		
The hotel staff have developed enormous entrepreneurial skills in handling hotel guests in the past years	.515		
The hotel staff have acquired more knowledge while performing their daily duties in the hotel	.538		
The hotel staff have the required knowledge in handling guests	.590		
The hotel staff have good and long lasting relationship with customers		.803	
The hotel staff have always interacted freely with hotel guests		.572	
The hotel is a member of several local or international associations		.574	
The hotel collaborates on several ventures with its competitors		.542	
The hotel always recognizes its repeat clientele.		.524	
The hotel staff have always been cooperative in order to provide good services to hotel guests		.698	
The hotel staff are always fully equipped with all the necessary resources they need in order to accomplish their tasks			.659
The hotel staff are always able to access all the necessary data to enable them perform their task efficiently			.677
<b>Eigen Values</b>	<b>3.984</b>	<b>2.507</b>	<b>1.815</b>
<b>Variance %</b>	<b>34.150</b>	<b>21.490</b>	<b>15.557</b>
<b>Cumulative %</b>	<b>34.150</b>	<b>55.640</b>	<b>71.197</b>

Source: Primary data

Factor analysis in table 4.10 above found out that human capital (34%) contributed more to intellectual capital followed by, relational capital (21%), and structural capital (16%) respectively. It was established that the fifteen above items constituted 71% of intellectual capital.

#### 4.4.3 Factor Analysis Results for Guest Delight

The principal component analysis was used to analyze the fifteen (14) dimensions of guest delight. This is shown in table 4.11 below.

Table 4.11 Showing factor analysis results for intellectual capital

Factor Analysis Results for Guest Delight	Prioritising Client Needs	Staff Courtesy	Ambiance
The hotel staff usually anticipate client problems well in advance	.604		
The hotel undertakes critical decisions in order to solve problems of reputable clients	.789		
The hotel staff usually recognize and rewards its repeat clientele	.826		
The hotel staff will usually over look authority in order to solve client problems	.537		
The hotel staff usually gives prompt feedback on complaints raised.	.512		
The hotel staff do not discriminate clients	.614		
The hotel staff treats all its clients like celebrities.	.537		
The hotel staff have always extended exceptional courtesy		.645	
The hotel staff are genuinely warm when offering services		.792	
The hotel staff always cater well for all guests		.567	
The hotel staff always extends extra care for clients with special needs.		.749	
The hotel staff usually goes an extra mile when delivering services.		.674	
This hotel has a stylish interior			.718
The hotel has decent and proper waiting areas			.720
<b>Eigen Value</b>	<b>3.549</b>	<b>1.598</b>	<b>1.195</b>
<b>Variance %</b>	<b>38.024</b>	<b>17.121</b>	<b>12.801</b>
<b>Cumulative %</b>	<b>38.024</b>	<b>55.145</b>	<b>67.946</b>

---

*Source: Primary sources*

Factor analysis in table 4.11 shows that items under guest delight with a rating of higher than 0.5. A total of 14 items explained 68% of the total increase or decrease in guest delight. It was found out that prioritizing clients' needs (38%) contributed more to guest delight, followed by staff courtesy (17%), and ambience (13%) respectively.

## 4.5 Correlation Analysis

Pearson (r) correlations coefficients were used to test for the relationships between the study variables. This is indicated in table 4.12 below;

Table 4.12 Relationships between the variables

	Mean	SD	1	2	3	4	5
Human Capital -1	3.47	1.16	1.000				
Relational Capital -2	3.44	1.16	.548**	1.000			
Structural Capital -3	3.40	1.13	.551**	.436**	1.000		
<b>Intellectual Capital -4</b>	3.44	0.78	.603**	.377**	.424**	1.000	
<b>Guest Delight -5</b>	3.48	0.90	.704**	.680**	.571**	.625**	1.000
<b>** Correlation is significant at the 0.01 level (2-tailed).</b>							

Source: Primary data

### 4.5.1 Relationship between Human Capital and Guest Delight

According to table 4.12 above, there is a significant positive relationship human capital and guest delight ( $r = .704^{**}$ ,  $p < 0.01$ ). The results indicate that with an increment in the quality staff training, a professional selection of employees based on their work experience and competences will result into guests receiving exceptional service and guests being treated like celebrities, and thus achieving the desired outcome of delighting guests.

### 4.5.2 Relationship between Structural Capital and Guest Delight

According to table 4.12 above, there is a significant positive relationship between structural capital and guest delight ( $r = .571^{**}$ ,  $p < 0.01$ ). This indicate that when an increment in the knowledge that that has been institutionalised in form of the organisational processes, structures, technologies, policies (i.e. increased organisational learning) will lead to an increase in the level of guest delight. For instance, when the staff continually shares their knowledge of guests and the same is



continuously updated and shared in a central data base, then, the hotels will be able to continuously delight their guests.

#### **4.5.3 Relationship between Relational Capital and Guest Delight**

According to table 4.12 above, there is a significant positive relationship between relational capital and guest delight ( $r = .680^{**}$ ,  $p < 0.01$ ). This means that an increase in relational capital will lead to an increase in guest delight. For instance, if the hotel staff are promptly resolve guest complains, then the guests will feel valued and naturally achieving the desired outcome of delighting guests.

#### **4.5.4 Relationship between Intellectual Capital and Guest Delight**

According to table 4.12 above, there is a significant positive relationship between intellectual capital and guest delight ( $r = .625^{**}$ ,  $p < 0.01$ ). Thus, an increase in the hotels level of intellectual capital will lead to higher levels of guest delight.

#### **4.5.5 Descriptive Statistics**

The descriptive statistics in the study revealed that none of the variables ie Intellectual capital & Its components or Guest Delight, had means of around 3. Basing on the questionnaire scale, it means that most of the respondents neither agreed or disagreed with the questions. Ie they were neutral and this would be interpreted to mean that the hotels have room to improve on the variables under study.

#### **4.5.6 Control Variables**

The study focused on testing the relationships between the variables under study and did not take into account control variables. However various scholars from existing literature have established examples of control variables. For instance, Scheider et al (1995, 1999) established that satisfied employees will transfer the efforts towards delighting customers. McNeilly et al. (2006) recognize that the delight strategy employed has associated costs.

#### 4.6 Multiple Regression Analysis

The research had more than one independent variable and thus multiple regression was used to estimate the coefficients of the linear equation  $Z=aX+bY+c$

Multiple regression analysis was used to find out the influence of the independent variable on the dependent variable. The independent variables were the components of intellectual capital, while the dependent variable considered was guest delight. Table 4.13 below presents the regression model of the variables.

*Table 4.13 Showing the multiple regression model for the study variables*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.370	.324		4.224	.000
Structural Capital	.156	.066	.214	2.387	.019
Relational Capital	.238	.058	.330	4.115	.000
Human Capital	.277	.069	.356	4.017	.000
Dependent Variable: Guest Delight					
R Square	.443				
Adjusted R Square	.425				
F Statistic	24.942				
Sig.	.000				

*Source: Primary data*

The three dimensions of the independent variable (Intellectual Capital) were noted to predict 42.5% of the increase or decrease in the Guest delight (Adjusted R Square = .425). The regression model was significant at the 99.0% confidence interval level.

From the results, Human Capital was found out to be the highest predictor with a Beta of .356, followed by Relational Capital which had a Beta of .330 and finally Structural capital which had a Beta of .214. All the above were at a significance level of 99%. ( $r < .01$ ).

## **CHAPTER FIVE**

### **5.0 DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter discusses the findings, conclusions, recommendations and suggestions of areas for further study. The study is divided into three sections; discussions of results, conclusion and recommendations. The findings are discussed in reference to the research objectives.

#### **5.2 Discussion of the Findings**

##### **5.2.1 Relationship between Human Capital and Guest Delight**

According to the study finding, there is a significant positive relationship between human capital and guest delight. This finding is line with Phusavat and Comepa (2011) who asserted that human capital represents the collective capabilities of a company's workforce to solve customer and operational problems (e.g. quality, productivity, technical). Besides, according Lin and Liang (2011), several academics (Matilla and Enz, Oliver, Richins, Isen and Shalker, Westbrook and Oliver, Forgas, Barger and Grandaley & Gorn et al.,) also recognize the role of customer emotions on service appraisal; a positive emotion will lead to a positive reaction and less critical thinking when making judgment, this increases service performance appraisals such as satisfaction. Pugh as cited by Ling and Liang (2011) found that when service employees smile, increase eye contact, display gratitude, and extend greetings, customers experience more positive emotion. Barger and Grandey as cited by Ling and Liang (2011) explains that positive emotional displays by employees will impact positively on the customers and thus enhancing the service encounter. Scheider and Bowen (1995, 1999) further suggest that when the human resource managers satisfy their employee needs, the efforts will transfer from the employees to customers. Furthermore, Torres and Kline (2006) also point out that

by having proper policies and well trained employee, one can convert mistakes to opportunity and delight. Policies and training are core elements of structural and human capital respectively. Verma (2003) identified delighters to include employee politeness, respect, friendliness consideration, taking personal interest in the customers' problems and needs and solving them and going beyond the call of duty.

### **5.2.2 Relationship between Structural Capital and Guest Delight**

From the study finding, there is a significant positive relationship between the structural capital and guest delight. This finding is in line with the Boisot (2002) as cited by Ordenez de Pablos (2004) who referred to structural capital as value added by the nonlinearities of the knowledge creation process that is assumed to reside. Inputs to this process are provided by human capital and the company acting as the residual claimant captures the surplus. Structural capital is further divided into organizational and technological capital; where organizational capital refers to all aspects that are related to the organization of the company and its decision making process such as organizational culture, structural design, coordination mechanisms, and organizational routines and planning and control systems. Technological capital on the other hand includes all technical and industrial knowledge like results from research and development.

Benevene and Cortini (2010) further the above concept by stating that structural capital supports a supportive infrastructure for human resources. This requires an organizational culture that is able to create and store knowledge as culture is what provides for the basis of organization's management.

### **5.2.3 Relationship between Relational Capital and Guest Delight**

According to the study finding, there is a significant positive relationship between relational capital and guest delight. This result is in line with Bontis (2001) defines relational capital as that which captures the relationships with third parties, be they customers or suppliers. The scholars Karagianis et al., 2009; Roos and Roos, 1998 and Edvinsson, 1997 as cited by Leger (2010) who referred to relational capital as that part of a company's market value that is attributable to its portfolios of business relationships. Day as cited by Navarro (2002) acknowledges importance of customers to a firm because they have a direct impact on the firm's performance and on the long term survival of the firm. Buenos (1998) however argues that the most important agents that a firm has relationships with are stake holders as they have a vested interest in the decisions faced by an organization. He furthers his argument by stating that at an individual learning level, stakeholders who are in touch with employees, suppliers, clients and other stakeholders of different firms will have an information exchange, which upon proper utilization leads to creation of new knowledge. Besides, Leger (2011) acknowledges that firms have become increasingly dependent on the web of business partners to deliver customer value; such dependencies give rise to relationship capital and a firm needs to commit resources in terms of time and money to develop and maintain these relationships (Leger, 2011).

### **5.2.4 Relationship between Intellectual Capital and Guest Delight**

The finding from the study shows that there is a significant positive relationship between intellectual capital and guest delight. This result confirms findings by Caddy (2000) and Powell (2001) as cited by Marti (2007) both point out the existence of intellectual liabilities or competitive disadvantages, which have a negative effect on the company's process of value creation. They thus argue that

intellectual capital should be the difference between the competitive advantages and the competitive disadvantages. The general consensus among most scholars is that intellectual capital consists of human capital, structural capital and relational capital (Bontis, Chong & Richardson, 2006). Besides, Ascente (2010) also brings out the paradox of many work places that are structured to suppress innovation, creativity and initiative; this is in contrast with the predominant theme that capitalizing on the talents of knowledge workers entails creating a culture built on trust, respect and empowerment that encourages and supports professional autonomy, innovation, creativity self-direction, intrinsic motivation, knowledge sharing and teamwork. Reichheld as cited by Navvarro (2002) however asserts that unless human capital is translated to organizational capital, then the organization will never benefit from it as employees harvest the benefits themselves.

### **5.3 Conclusion**

The findings from this research indicate that there is a significant positive relationship between human capital and guest delight. Human capital represents the collective capabilities of a company's workforce to solve customer and operational problems (e.g. quality, productivity, technical). The findings from the study also indicate that there is a significant positive relationship between structural capital and guest delight. This confirms that structural capital is value added by the nonlinearities of the knowledge creation process that is assumed to reside. The study results also indicate that there is a significant positive relationship between relational capital and guest delight. Increasing a web of business partners to deliver customer value; such dependencies give rise to relationship capital and a firm needs to commit resources in terms of time and money to develop and maintain these relationships. Besides, the finding also indicates that there is a significant positive relationship between intellectual capital and guest delight. The key factor in intellectual capital is

being creative and initiative that entails creating a culture built on trust, respect and empowerment that encourages and supports professional autonomy, innovation, creativity self-direction, intrinsic motivation, knowledge sharing and teamwork

#### **5.4 Recommendations**

- a) According to the study, Human Capital has been found to be the highest contributor to guest delight. Thus, in pursuit of guest delight, hotels should ensure that the right are put in guest areas. Such right people include hiring people with experience and in cases where this is not possible, hotel management should continuously train their staff to equip them with the necessary skills.
- b) Staff attitude was found out to be key towards achieving guest delight. Hotels should thus strive to ensure that their staff have a positive attitude not only towards work but also in cases of guest complains. This can be achieved through continuously training on attitude.
- c) From the research, it was found out that good and long lasting relationships with clients contributed towards guest delight. Hotels should thus encourage staff to have formal relationships with guests. Such would be achieved by having staff address guests by the first name, having staff send acknowledgement cards for guest anniversaries and other occasions.
- d) From the research, it was found out that the presence of a supporting infrastructure in form of structural capital in guest areas is key in achieving guest delight. Hotels should thus be able to equip their staff with the necessary resources that they may need in the process of accomplishing their tasks. Such resources could include calculators, captain order bills, pens, computerized bill systems etc.



- e) From the research, it was found out that access to guest data by staff played an important role towards achieving delight. Such data could include guests likes and dislikes, guest favorite meals or drinks, guest preferred rooms , guest previous experiences etc. Hotels should thus profile their guests and the same shared out to staff who are interact with guests.
- f) According to research findings, guests are delighted once they perceive that their needs are prioritized. Thus, hotels should ensure that mechanisms exist to ensure that guest needs receive utmost priority. Such could include empowering staff to enable them make some level of decisions pertaining to guest services, treating all clients like celebrities etc. For instance, the front line staff should be empowered to make simple decisions on the spot- eg if a client asks for an item that is not on the menu, the waiter should be empowered to accept the order in as so far as the waiter understands that the order can be served.
- g) From the research findings, staff courtesy played a major role in achieving guest delight. Thus, hotels should ensure that staff extend exceptional courtesy to guests. Such courtesy would include warm smiles, going the extra mile etc.
- h) From the research findings, it was found out that the ambience of the hotels contributed towards guest delight. Hotels should thus invest in stylish interiors and proper waiting areas.

### **5.5 Areas for Further Research**

- i. What is the role of management competence on guest delight?
- ii. Do hotels have guest delight programs or is delight achieved on ad hoc basis?
- iii. Does guest delight have a dark side?
- iv. Effect of control variables on the model.

## **5.6 Limitations to the Study**

The following limitations were encountered in this study:

- i) Respondents withholding certain vital information due to fear; this was overcome by assurance of confidentiality on all the information that was provided by the respondents. They were made aware that the information was solely for academic research purpose;
- ii) Some respondents did not have enough time to fill the questionnaires and this would have affected the quality of the data sought for this study; this was overcome by giving the respondents enough time frame within which the answered questionnaires were collected thereafter by the researcher;
- iii) The research was designed as a cross sectional study and data collected at a particular period, there may have other factors that would have affected the data collected that could significantly affect the results if a longitudinal study was done. To overcome this, the researcher collected data from the target hotels on several different occasions.

## REFERENCES

- Barr, T.F and McNeily, M.K. (2006), I love my accountants - they're wonderful: Understanding customer delight in the professional services arena. *Journal of Services Marketing*, 20(3), 152-159.
- Berman, B. (2005), How to delight your customers. *California Management Review*, 48(1), 129-151.
- Benevene, P. and Cortini, M. (2010), "Interaction between Structural Capital and Human Capital in Italian NPOs: Leadership, Organisational culture and Human Resource Management", *Journal of Intellectual Capital*, 11(2), 123-139.
- Blanco, C., Navarro, M. and Peña, I. (2002), "Influence of knowledge-based intangible resources and alliances on business performance", paper presented at the International Conference: "The Transparent Enterprise, The Value of Intangibles", Madrid,
- Bontis, N. (2001), Assessing Knowledge Assets: A review of the models used to measure Intellectual Capital. *International Journal of Management Reviews*, 3(1), 41-60.
- Bontis, N., Keow, C.C.W and Richardson, S. (2006), Intellectual Capital and Business Performance in Malaysian Industries. *Journal of Intellectual Capital*, 1(1), 85-100.
- Bueno, E., Salmador, M.P. and Rodríguez, O. (2004), "The role of social capital in today's economy: empirical evidence and proposal of a new model of intellectual capital", *Journal of Intellectual Capital*, Vol. 5 No.4, pp.556-74.
- Chen, M., Cheng, S. and Hwang, Y. (2005), An empirical investigation of the relationship between intellectual capital and firms market value and financial performance. *Journal of Intellectual Capital*, 6(2), 159-176.
- Crick, A.P and Spencer, A. (2010), Hospitality Quality: New directions and Challenges. *International Journal of Contemporary Hospitality Management*, 23(4), 463-478.
- Crotts, J.C. Bing, P. and Raschid, A.E. (2008), A survey Method for identifying Key Drivers for guest delight. *International Journal of Contemporary Hospitality Management*, 20(4), 462-470.
- Davidson, M.C.G, MacPhail, R. and Barry, S. (2011), Hospitality HRM, past, present and the future. *International Journal of Contemporary Hospitality Management*, 23(4), 498-516.
- Engstrom, P., Westnes, P. and Westness, S F. (2003), Evaluating Intellectual Capital in the Hotel Industry. *Journal of Intellectual Capital*, 4(3), 287-303.

- Hassan, S.A., Raheem, S. and Subani, M.I (2011,. Measuring Customer Delight: A model for Banking Industry, *European Journal of Social Sciences*, 22(4), 510-518.
- Kagaari, J.R.K (2011), Performance management practices and managed performance: the moderating influence of organisational culture and climate in public universities in Uganda. *Measuring Business Excellence*, 15(4), 36-49.
- Kamukama, N., Ahiazu, A. and Ntayi, J.M. (2011), Competitive Advantage, Mediator of Intellectual Capital and Performance. *Journal of Intellectual Capital*, 12(1), 152-164.
- Krejcie, R. V, and Morgan, D.W. (1970), Educational and Psychological measurements, 30, 607-610.
- Leger, P. (2010), Interorganizational IT investments and the value upstream relational capital. *Journal of Intellectual Capital*, 11(3), 406-428
- Lin, J.C and Liang, H. (2011), The influence of Service Environments on customer emotion and service outcomes. *Managing Service Quality*, 12(4), 350-372.
- Marti, J. M (2007), In Search of an Intellectual Capital Comprehensive Theory. *Electronic Journal of Knowledge Management*, 5(2), 245-256
- Manoj E, and Sunil, S. (2011), Role of switching costs in the service quality, perceived value, customer satisfaction and customer retention linkage, *Asia Pacific Journal of Marketing and Logistics*. 23(3), 327-345
- Ngobo, P. V. (1999), Decreasing returns in customer loyalty: Does it really matter to delight the customers? In E. J. Arnould & L. M. Scott (Eds.), *Advances in Consumer Research*, 26 (pp. 469-476).
- O'Keefe, T. (2007), "Toward zero management learning organizations", *Development and Learning in Organizations*, 1(2), 293-299
- O'Keefe T, (2005), "Towards zero management learning organizations; A honey-bee perspective", *Journal of European Industrial Training*, 29(9), 764-768
- Ordonez de Pablos, P. (2004), " Measuring and reporting Structural Capital: Lessons from European Learning Firms." *Journal of Intellectual Capital*, 5(4), 629-647
- Pablos, O. P. (2004), Measuring and reporting structural Capital. Lessons from European Learning Firms. *Journal of Intellectual Capital* 5(4), 629-647
- Phusavat, K., Comepa, N., Sitko-Lutek, A. and Ooi, K. (2011), Inter relationships between Intellectual Capital and Performance; empirical examination. *Industrial Management and Data Systems*, 111(6), 810-829

- Rust, R.T. and Oliver R.L (2000), Should we delight the customer. *Journal of the Academy of Marketing Science*, 28(1), 86-94. McNeilly, K.M. & T.F.
- Scheider, B. and Bowen, D. (1995), The Service Organisation: Human Resource Management is Crucial, *Organisation Dynamics*, 21(4), 39-52
- Schneider, B. and Bowen, D.E. (1999), Understanding customer delight and outrage. *Sloan Management Review*, 41(Fall), 35-45
- The Voice Group, (2008), "Reflections on collaboration in interpretive consumer research", *Qualitative Market Research: An International Journal*, 11 (2) 147 - 165
- Torres, E.N, and Kline, S. (2006), From satisfaction to delight: a model for the hotel industry. *International Journal of Contemporary Hospitality Management*, 18(4), 290-301
- Uganda Bureau of Statistics (2010).
- Verma, H. V. (2003), Customer outrage and delight. *Journal of Services Research*, 3(1), 1 19-133.
- Vidot, D.H. (2006), Opportunism and unilateral commitment: the moderating effect of relational capital. *Management Decision*, 44(6), 737-751.
- Wayne, A.M. (2010), Literature Review, *Academy of Marketing Studies Journal* 14(1), 512-519.
- Zangouinezhad, A. and Moshabaki A. (2011), Measuring university performance using acknowledge-based balanced scorecard. *International Journal of Productivity and Performance Management*, 6(8), 824-843.
- Zeithaml, V.A. and Bitner, M.J. (2000), *Services Marketing: Integrating Customer Focus across the Firm*, McGraw-Hill, New York, NY.