



## Do HR Practices Affect Service Quality of Frontline Staff?

An exploratory study in Hospitality firms at Karachi

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### ABSTRACT

**Purpose:** The basic objective of this study was to examine the role of HR practices like recruitment and selection, training, performance appraisal and rewards management in enhancing overall service quality of the frontline staff in the hotel industry in Karachi, Pakistan.

**Methodology/Sampling:** Hypothetic deductive approach was used for examining the relationship between independent and dependent variables. Customer service dimensions used in this study were derived from the SERVQUAL model that included frontline staff appearance, reliability of service, responsibility among the staff, and assurance of job related knowledge and etiquettes and empathy. For the purpose of study 15 hotels and restaurants of various sizes with minimum 30 frontline employees were chosen. Ten frontline employees from reception staff, waiters/waitresses, housekeeping employees were chosen using quota sampling for data collection. Opinion of the frontline staff was sought through structured questions as how the four HR practices are likely to affect quality of five dimensions of the customer service quality. Data was collected through a structured questionnaire and integrated through SPSS.

**Findings:** Results of study showed that the two HR practices; training and rewards management significantly affect the service quality of the frontline staff and this effect is far stronger than the effect of other HR practices.

**Practical Implications:** This research will not only bring significant practical implications for better human resource management in hospitality sector but also provide important indicators for future research. Studies are also needed to identify further impediments obstructing the positive influence of recruitment and selection and appraisal practices on service behavior and quality of the staff. The role of various intervening or mediating variables such as employee collaboration, organization culture can also be probed further.

**Keywords:** Women entrepreneurs, Motivation, Pakistan

**Jel Classification:** F23, M13

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## 1. INTRODUCTION AND AIM OF STUDY

The Hotel industry is considered among the top three components of the world economy. It is bigger than automobile industry of Japan, agriculture sector in the U.S.A. and banking industry of Switzerland. This sector is continuously moving ahead in almost every part of the world. According to Pakistan Institute of Hotel Management and Tourism, there are more than fourteen hundred hotels of various standings including five star ones in Pakistan. On the lower side of the sector, restaurants, snack bars, and catering services are growing very fast creating employments as well as personal business opportunities.

However, it is unfortunate that despite growing trend, this industry in Pakistan has not been able to make significant contribution to the country's revenue. It could not develop to its full potential and remained less productive, less profitable and more labor intensive as compared to their international counterparts. Major reason for short of standard performance of the hotel industry in Pakistan can be traced in the area of human resources. Being a labor intensive industry, Pakistani hotel industry still counters a problem of short supply of trained and skilled professionals. To cope with the problem, it needs to develop innovative and effective system for employee management practices to ensure high employee productivity and competence.

Human resource management (HRM) practices and functions are widely acknowledged having fundamental influence on the organization performance. HRM policies, practices and procedures relate to attracting, selecting, training and managing employees. Armstrong (1991) has defined HRM as a strategic approach, organizations use to acquire, develop, manage and motivate its workforce. It generally embraces a variety of activities including determining the staffing needs, recruiting and selecting the appropriate work force, training and developing them for high performance, dealing with compensation and benefits issues, and conforming various rules and regulations. Effective human resource management system helps organizations prioritize their organizational and business strategies while effectively managing the changes taking place within or outside the industry. It helps attract and preserve competent employees, supports employees in adapting to organizational change and use of technology and assures employee satisfaction, enhanced productivity and service performance. Teseema & Soeters (2006) have studied eight HR practices and their relationship with perceived employee performance. These eight practices include recruitment, selection and placement practices, employee training practices, performance evaluation and compensation etc. As a result, in current age, greater emphasis is being placed to make HR a strategic business partner and a value adding function instead of leaving it to play an administrative role. A great number of previous works have demonstrated that HR practices are associated positively with employee performance and various organizational outcomes.

Accordingly, objective of this research work is to analyze the impact of following four HR practices on the quality of service offered by the front line staff in the privately owned hotel establishments located in Karachi:

- i. Recruitment and Selection
- ii. Training and Development
- iii. Performance Appraisal
- iv. Rewards Management

Input of the frontline staff was used to find out effectiveness of these four HR practices in the respective organizations. Based on SERVQUAL models (Zeithaml et al 1990), following five aspects of the customer service quality were used in this study and a relationship of the four HR practices with these customer service quality aspects was examined:

- i. Tangibles: The physical appearance of the staff and quality of facilities etc.
- ii. Reliability: The ability of the staff to deliver promised service reliably and accurately
- iii. Responsiveness: The tendency among the staff to help customers and provide rapid and efficient service.
- iv. Assurance: Staff knowledge and good etiquette and their ability to convey faith that implants confidence in customers.
- v. Empathy: The ability among the staff to perform customized services to the customers.

The research findings will help the hotel sector managers to identify the HR practices that can help them to improve the quality of service at their hotels that will guide them in HR policy-making. So the study will be seeking answer to the following questions:

## 2. LITERATURE REVIEW & HYPOTHETICAL FRAMEWORK

Human resource management (HRM) acquired a rising attention of theorists and practitioners over past few decades as people are being increasingly seen as the key core competence and source of competitive advantage for the firm. The existing literature presents an abundant of studies showing association between HR practices and firm's



performance in various contexts. For instance, earlier, Nankervis and Debrah (1995), Huselid (1995) recognized the impact of HR practices on organization's performance analyzing its impact on bottom-line results of the firms. Delaney and Huselid (1996) reported that practices such as highly discerning staffing, inducement and compensation, and employee training positively linked to firm's performance. Lam and White (1998) concluded that firms' HR practices like recruitment, better compensation, extensive employee training and development) influence the firm's important quantifiable outcomes such as assets return, sales growth, and stock value.

Later, Becker et al (2001), in a survey of publicly held companies in US, found that companies with effective HR practices present improved "bottom-line" results such as employee sales, turnover rates etc. Guthrie (2001) also found in New Zealand that high-involvement HR is strongly associated with firm's performance. Subsequently, Teseema and Soeters (2006) found a relationship of HR practices of compensation and promotion and performance management and employees' performance. Katou and Budhwar (2006) studied 178 Greek manufacturing firms and revealed that HRM policies are positively related to organizational performance.

#### a. HRM and Quality of Service in Hotel Industry

Effective management of human capital is now being considered a differentiating factor between a well run and a poorly one hotel. Price (1994), in his UK Hotels survey, found a strong association between size of the hotels and presence of HRM practices. He stated that majority of the large hotels follow good personnel practice and is familiar with the need for management training. The approach is quite casual in smaller hotels where many owner-managers don't recognize need for proper arrangement like written agreements, rules and policies and employee training. Kelliher and Johnson (1987) had earlier concluded that personnel management is not among management main concerns and priorities in small hotels. Likewise, in Pakistan most of smaller units in this sector do not have formal HR functions. Although in larger hotels and resorts the situation relatively better but considerable room existed for more sophisticated HR practices.

Study of role of HRM practices on the quality of services in the hotel industry is a subsidiary of research work in the service industry. Gronroos (1990) defined quality of service as interactive action or sequence of activities, intangible in nature, carried out to solve customer problems. Gržiniæ (2007) stated that service quality is actually the overall management of the business process to achieve the total satisfaction of the customer on all levels that in turns leads to an increased competitiveness and effectiveness of the organization. Being intangible in nature services quality is difficult to measure than to measure quality of product. Samson and Parker (1994) considered the intangible

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nature of services as a great obstruction in advancement of the field of service quality. As compared to the manufactured goods, services are less likely to be sampled, gauged and measured.

The SERVQUAL model (Zeithaml et al 1990) has been used widely as suitable theoretical frame to measure service quality in services organization. Each dimension in the model has different features which have different impact on the final service quality. Gržiniæ (2007) recommends the model is not only a useful instrument for measuring service quality in hotels but also a device for discovering the customers' needs and expectations about the service quality.

Service quality is a perceived phenomenon that arises when a customer compares his or her service expectations with the services actually performed. Parasuraman et al. (1988) explained service quality is a customer's judgment and feelings about overall excellence of the service. He understood overall service quality as the gap between expectations and perception of service performance levels. However Boulding et al. (1993) recommends performance should be used for service quality measurement and rejected the use of expectation as a comparison standard for this purpose.

Customer service is now emerging to be an increasing concern for HRM practitioners. Schneider and Bowen (1995) observed the scarcity of HRM-customer service link locating its reasons in the traditional natural and style of the HR that focuses mainly at meeting the needs of firm's internal stakeholders most of which are tangible and measurable like sales and profits rather than less tangible behaviors like courtesy, responsibility etc. However a number of studies acknowledged that the effective management of the human capital of the firm relates to level of satisfaction. For instance, Schneider and Bowen (1995) investigated customer's satisfaction in large number of organizations to show a significant correlation of employee satisfaction and customer satisfaction. The study revealed that employee perspective of what happening to them and around them has a lot to do with the service delivery.

Sufficient evidence exists to endorse that satisfied employees give rise to satisfied customers. Schneider and Bowen et al (1995) have shown that climates where workers feel well are greatly correlated with high level customer service quality. According to Nankervis and Debrah (1995), unlike the act of consuming a product, the consumer of a service is exposed to a delicate and complex personal and psychological experience, therefore the success of the service firms depends on the quality of employees and their effective management. Heskett et al. (1994) during a study of the interaction of the frontline employee and customers, confirm that customers' loyalty and firm's profitability closely depends on productivity and motivation of the staff. Bowen and Lawler (1992) extended that employee motivation and empowerment along with a clear and inspiring



service vision provide higher service resulting greater customer satisfaction.

More particularly, the work of Worsfold (1999) regarding HRM functions as determinants of quality of service in hotel industry been of vital importance. Accordingly theoretical framework for this study has been adapted from his work. In the theoretical framework, four HR functions; recruitment and selection, compensation management, training and development, and performance management, are hypothesized to have a positive correlation with quality of customers' service through creating service oriented behavior among the hotel employees.

### **i. Recruitment and Selection**

Recruitment is a process of identifying and attracting a pool of potential candidates while selection is about choosing appropriate employees for employment from that pool through measuring, and evaluating information about candidates' qualifications to determine his or her appropriateness for the given job. The practices are thus used to increase the likelihood that the right person is selected with right skills and abilities for the target job. Noe et.al (2004) explained that the goal of recruitment and selection activities is to ensure that the organization has right number of reasonably qualified applicants to choose from when a vacancy occurs.

According to Zeithaml et al., (1990) recruitment and selection of the best potential individuals is considered vital in ensuring quality of service. Gunaskeran (1999) endorsed the point and concluded that though numerous factors exist contributing towards quality of service in the organizations, nothing had the greater impact than recruiting right employee. Berry and Parasuraman (1992) say that wrong selection of the staff is a major reason for meager service quality at the firms especially in the hotel industry. However, Ineson and Brown (1992) are of the view that in the hotel industry there is little evidence of systematic selection process. Waryszak and Bauer (1993) support this point and say that hiring in the hotels generally takes place through informal means though some larger hotels do make use of structured interviews.

**H<sub>1</sub>:** Effective recruitment and selection practice for the employees is significantly related with the quality of customer service in the hotel industry.

### **ii. Employees Training**

Training planned intervention aimed at enhancing the job performance (Chiaburu and Tekleab, 2005), and is known to be very vital contributor of the high quality customer service by the workforce especially in the service oriented organizations. Schwartz (1994) say that effective training programs in business require effective

planning that training must ensure that employees acquire the required skill and knowledge to deliver the job completely. Jago and Deery (2002) say that innovative training methods can do a great help in the tourism and hotel industry to provide effective customer service.

Likewise, Gentzler (2010) emphasized the importance of having printed training manuals in hotels effectively communicating businesses' mission, standards of operation and policies to the new employees. Davdow and Uttal (1989) and Peccei and Rosenthal (1997) are of the opinion that multi-skilling training, in particular, enhances employees proficiency to deal with customers' wide-ranging and ever changing demands. Van Looy (1998) argued that in hotels business can be improved through training and development strategy that may boost firm's profitability via increased service standards and staff commitment. Rowden and Conine (2005) also argued that trained employees are usually more content and are better able to satisfy the customers.

Peccei and Rosenthal (1997) suggested that training endows employees with skills necessary for interactions with customers and enables them to better understand customer needs that lead to high quality service. They also found that training produces a major impact on employees' dedication for better customer service and can equip frontline employees to meet the broad ranged needs of customers. Schneider and Bowen (1995) and Davidow and Uttal (1989) also realized the usefulness of multi skilling or cross training in improving customer services.

**H<sub>2</sub>:** Effective training and development of the employees is significantly related with the quality of customer service in the hotel industry.

### **i. Performance Appraisal and Rewards**

Performance appraisal is a system to measure employees' job performance in terms of quality, quantity, cost, and time typically by their managers with an objective of guiding and managing their performance. The process usually involves obtaining, analyzing, and recording information about job performance to determine the comparative worth of an employee to the organization. Dulewicz (1989) defined performance appraisal as an intended formal interface between a subordinate and supervisor in form of a periodic interview for examining and discussing employee work performance with a purpose to determine his or her strengths and weaknesses and with a purpose of further employee development and growth.

Although some studies have concluded certain negative effects of performance appraisals and rewards in various situations (Elmuti et al., 1992; Oakland, 1993; Palmer, 2001), the two HR practices have significant positive impact on quality when designed and



managed correctly (Redmen and Mathews, 1998) by recognizing desired employee performance and developing a reward system that is connected with customer satisfaction (Palmer, 2001). It is argued that since management in service organization cannot directly control quality during the production of the service (Gronroos, 1990) or employee behavior (Schneider and Bowen, 1995) therefore performance goals, performance appraisals and reward for good performance become the right guide for workers. Nevling (1992) stated that performance appraisals provide employees a direction as they communicate management's expectations and shapes up worker's behavior by rewarding desired employee behavior. Noe et al (2004) stated that in addition to challenging and interesting work, pay benefits are important incentives to encourage employee productivity, quality of customer service.

**H<sub>3</sub>:** Effective performance appraisal of the employees is significantly related with the quality of customer service in the hotel industry.

**H<sub>4</sub>:** Effective rewards management practice is significantly related with the quality of customer service in the hotel industry.

**H<sub>5</sub>:** Some HR practices relate more with the quality of customer service in the hotel industry than the other practices.

**H<sub>6</sub>:** The above four HR practices considerably explain the variation in the customer service quality.

### 3. RESEARCH METHOD

Hypothetic-deductive approach has been adopted in the research wherein impact of four HR practices recruitment and selection, employee training, employee evaluation and rewards is studied over the quality of service offered to the customers in hotel industry in Karachi. Fifteen hotels and resorts of various sizes located in Karachi employing minimum 30 frontline employees were chosen for the study. The list of the units was generated from the Hotel and Restaurants Directory officially published by Pakistan Tourism Development Corporation, Ministry of Tourism, and Government of Pakistan. Cross sectional data was collected using survey as it was considered to be the most efficient way of reaching a large number of respondents.

Ten frontline line employees; reception staff, waiters/waitresses, housekeeping employees from each unit were chosen for the study using quota sampling. Among them, 58 % of the employees were waiters or waitress, 35% were involved in front services and 17 %were related to housekeeping assignments. In total 150 questionnaires were got filled out. Respondents were asked to express the degree to which they agreed and disagreed to each of the HR practices in vogue in their hotels along the 7-point Likert's scale ranging from 1 for strongly disagreed to 5 for strongly agreed. Similarly

the second part of the questionnaire was used for taking responses on how the HR practices were affecting the level of service quality in five dimensions derived from the SRVEQUAL model. The selected service variables were tangibles, reliability, responsiveness, assurance and empathy. Likewise, respondents were asked to express the degree to which they agreed and disagreed to each of the variables in the hotels along the 7-point Likert's scale ranging from 1 for strongly disagreed to 5 for strongly agreed. The filled questionnaires were checked out for completeness and analyzed for demographic details. Before the start of actual collection process, pre-testing of the questionnaire was done with a sample of 10 employees. Minor editing of the questionnaire had to be done in the result of the pre-testing.

### I. Data Analyses and Findings

Descriptive and correlation analyses were carried out to predict the association between variables under investigation. To study the pattern of relationship, a multiple regression analysis was conducted to determine predictability of the dependent variable through the given four independent variables and to explain the unique variances explained by them. Scale's reliability was checked applying Cronbach's Alpha and all the variables were found reliable with the value of alpha was found to be greater than 0.7.

#### i. Recruitment and Selection

40% of the respondents believed that managers in their firm understand various aspects of the jobs while making selection criteria for those jobs. However, 52% of them thought that their managers don't understand the position while making the selection decisions. Regarding using the assessment tools like test or interviews in selection process, 65% of the respondents agreed that their firms use such assessment tools, while 31% thought the otherwise. 43% of the respondents believed that vacant positions in their firms were properly announced while the 51% of them did not agree to it. 48% of the respondents believed that the selection procedure in vogue in their organizations ensured fairness in selection of the employees whereas 26% of them thought other way round. 10% of the respondents believed that recruitment and selection practice affects five dimensions of quality of service while 70% of them did not think so.

#### ii. Employee Training

79% of the respondents believed that their hotels provided employees with training necessary for attainment of skills to perform their jobs properly. 21% of them, however, did not agree with it. 59% of the respondents agreed that employee training programs were designed after assessing individual training needs, while 35% of them did not agree with it. 55% of the respondents believed that employees were encouraged and



appreciated by their management for applying skills and knowledge acquired during training. Whereas 30% of the employees revealed that they were not provided with a supportive climate for employing new skills and knowledge acquired through training. 72% of the respondents believed that training provided to them focused on special skills to interact with the customers and to understand their needs for high quality service while 18% of them disagreed.

iii. Performance Appraisals and Rewards

67% of the respondents agreed that employees were conveyed and explained their performance goals. 30% of the, however, disagreed to it. 60% of the respondent staff revealed that supervisor/managers in their firms discussed their performance and gave feedback to them. 40% of them, however, did not agree to it. 72% of the respondent staff agreed that performance appraisal outcomes do not have any bearing on their overall quality of service, 14% of them, however, did not think so. 77 % of the respondents found their compensation level comparable with other similar firms in the same sector which creates satisfaction among them enhancing quality of their service. However, the remaining 42% thought that compensation level was not comparable with one in other firms in the sector.

a. Correlation Analysis

Pearson correlation analysis was conducted to study the direction of relationship among the variables.

Table-1 shows that recruitment and selection practices have the highest influence on the reliability factor of service quality of the staff. Training and development has significant affect over staff appearance, assurance and responsibility whereas performance appraisal practices have significant impact on staff responsibility. Similarly data show that staff empathy, appearance and responsibility are significantly affected by reward management practices of the hotels.

Table 1: Correlations with Individual Variables of Customer Service Quality

		RS	TD	PA	RW	TG	REL	RSP	ASSU	EMPT
RS	Pearson Correlation	1	.234	-.059	-.196	-.012	.471*	.016	.095	-.258
	Sig. (2-tailed)		.213	.756	.299	.948	.009	.933	.619	.168
	N	30	30	30	30	30	30	30	30	30
TD	Pearson Correlation	.234	1	.006	.316	.538*	.206	.378	.528*	.214
	Sig. (2-tailed)	.213		.974	.089	.002	.275	.040	.003	.257
	N	30	30	30	30	30	30	30	30	30
PA	Pearson Correlation	-.059	.006	1	.169	.262	.378	.698*	-.034	.073
	Sig. (2-tailed)	.756	.974		.373	.162	.041	.000	.857	.703
	N	30	30	30	30	30	30	30	30	30
RW	Pearson Correlation	-.196	.316	.169	1	.765*	.148	.373	.086	.817*
	Sig. (2-tailed)	.299	.089	.373		.000	.436	.042	.650	.000
	N	30	30	30	30	30	30	30	30	30
TG	Pearson Correlation	-.012	.538*	.262	.765*	1	.368	.504*	.287	.843*
	Sig. (2-tailed)	.948	.002	.162	.000		.045	.005	.124	.000
	N	30	30	30	30	30	30	30	30	30
REL	Pearson Correlation	.471*	.206	.378	.148	.368	1	.367	.261	.166
	Sig. (2-tailed)	.009	.275	.041	.436	.045		.046	.163	.381
	N	30	30	30	30	30	30	30	30	30
RSP	Pearson Correlation	.016	.378	.698*	.373	.504*	.367	1	.399	.319
	Sig. (2-tailed)	.933	.040	.000	.042	.005	.046		.029	.085
	N	30	30	30	30	30	30	30	30	30
ASSU	Pearson Correlation	.095	.528*	-.034	.086	.287	.261	.399	1	.064
	Sig. (2-tailed)	.619	.003	.857	.650	.124	.163	.029		.735
	N	30	30	30	30	30	30	30	30	30
EMPT	Pearson Correlation	-.258	.214	.073	.817*	.843*	.166	.319	.064	1
	Sig. (2-tailed)	.168	.257	.703	.000	.000	.381	.085	.735	
	N	30	30	30	30	30	30	30	30	30

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

Table 2: Correlation with Overall Customer Service Quality Features

		Correlations				
		RS	TD	PA	RW	ServQual
RS	Pearson Correlation	1	.234	-.059	-.196	.165
	Sig. (2-tailed)		.213	.756	.299	.384
	N	30	30	30	30	30
TD	Pearson Correlation	.234	1	.006	.316	.638*
	Sig. (2-tailed)	.213		.974	.089	.000
	N	30	30	30	30	30
PA	Pearson Correlation	-.059	.006	1	.169	.391
	Sig. (2-tailed)	.756	.974		.373	.032
	N	30	30	30	30	30
RW	Pearson Correlation	-.196	.316	.169	1	.657*
	Sig. (2-tailed)	.299	.089	.373		.000
	N	30	30	30	30	30
ServQual	Pearson Correlation	.165	.638*	.391*	.657*	1
	Sig. (2-tailed)	.384	.000	.032	.000	
	N	30	30	30	30	30

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



The table also shows that the most significant association was found between rewards management/compensation with service quality of the staff whereas employee training and development appeared as the second highly correlated variable. Therefore the **H<sub>5</sub>** (some HR practices will have more association with service quality) is also substantiated. The regression analysis was also performed to predict the extent of variation in the service quality of the frontline staff caused by the four independent variables.

a.Regression Analysis

Table 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.822(a)	.675	.623	.27925

Predictors: (Constant), RW, PA, RS, TD

Table 4 ANOVA B

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.055	4	1.014	12.999	.000a
	Residual	1.950	25	.078		
	Total	6.004	29			

a. Predictors: (Constant), RW, PA, RS, TD

b. Dependent Variable: SvQlty

Table 5 Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.132	.540		.245	.808
	RS	.049	.095	.064	.523	.606
	TD	.239	.107	.285	2.246	.034
	PA	.185	.087	.245	2.118	.044
	RW	.489	.102	.614	4.818	.000

a. Dependent Variable: SvQlty

The value of R (0.822) is the correlation of the four independent variables (recruitment & selection, training, performance appraisal and reward management) with the dependent variable (service quality), after all the inter-correlations among four independent variables taken into consideration. The model summary also depicts that this variation

in dependent variable due to these independent variable is 0.675 which means that 67% of variation in the Service Quality is significantly explained by the given four independent variables. ANOVA table shows that the F-value of 12.99 is significant at the 0.001 level which means that the **H<sub>6</sub>** is substantiated. The beta values under standardized coefficients shows that reward management practices (having the highest value of beta) influences most the variation in service quality of the staff followed by training and development (the second highest value of beta).

4. DISCUSSION & CONCLUSION

The study has brought important implications for service sector firms in general and the hospitality firms in particular. From the supported materials and study results, it is concluded that employee training and rewards have significant relationship with the service excellence of the staff. It means that the better the employee perception of training and rewards the higher would be the quality of service provided to customers by the front staff. The study also showed that effective training programs will bring in notice of the managers individual training needs of the workers. A supportive environment to apply fresh skills and knowledge is also crucial to make training a success. Similarly the reward practices connected with workers customer service performance will also be needed to get better service quality from the staff.

These findings are supported by Brett et al. (1995) who reported a positive link of employee remuneration and benefits with service performance in service settings. The findings are also supported by Browning (2006) who reported a considerable positive correlation between employee training and self reported service quality of the staff in South African hospitality firms.

From studied literature it may be also be deduced that employee perception of important HR practices and functions positively influence job satisfaction level and commitment to the firm. Thus employee perception of the way they are treated in the organization influences them psychologically and eventually influences their service behaviors and quality.

The finding that certain HR practices create more influence than other is also backed by numerous research studies. For example, studies of Chebet et al., (2002) and Zarbe et al., (1993) had held that certain external and internal contexts of the firms' environment may make certain HR practices and functions more influencing than others. Recruitment and selection and performance appraisal practices were not found to have significant impact in this study. Many previous studies also highlighted the negative effect of appraisals e.g. studies of Elmuti et al. (1992); Oakland (1993); Palmar (2001) etc. Managers' inadequate knowledge, skills and insufficient resources especially in case of small enterprises may be attributed as key reason. Gomez Mejia (1990) and Horwitz



(1999) held that managers' limited knowledge could be an important implementation hindrance in effective HR.

A considerable proportion of the frontline employees revealed that managers in their firms did not bother to understand the specific job requirements while selecting the employees. In some places, employees perceived that the vacant positions were not properly announced. Furthermore, in many cases employees were not being given proper feedback on their job performance. Similarly, performance appraisal findings were also not usually linked with employee compensation in many hotels. This creates a challenge for management in hospitality firms to actively train and equip managers to abridge these gaps.

The findings of regression analysis in this study have also led to learn that HR practices in the areas of employee selection, training, performance assessment and compensation have a lot to do with service quality of the staff and they have bearing over customer service behavior of the frontline employees of the hotels. And since this study has also shown that training and reward management practices contribute more as compared to the other two practices, by developing an effective HR system hospitality firms can enhance service quality of the staff towards customer.

Although the perceptions tapped from employees and the sample size used in this research may have produced some prejudice to the generalizability of the results to all kinds of hotels and restaurants in Pakistan, yet the important findings of this research offer significant directions for future research. An extensive selection of the hotels and restaurants with a wider range of HR practices may be used for further study. The future study may also be aimed at identifying various internal and external factors that affect efficacy of various HR practices and policies and consequently their contribution in enhancing service quality of staff. Studies are also needed to identify further impediments obstructing the positive influence of recruitment and selection and appraisal practices on service behavior and quality of the staff. The role of various intervening or mediating variables such as employee collaboration, organization culture can also be probed further.

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