

Enhancing Service Quality of the Hospitality Industry in Uganda through Organizational Learning

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Abstract

Original Research Article

The hospitality industry has focused attention on services and the delivery of quality services to customers. The conception that organizational learning influences service quality has expanded extensive recognition in both academic circles and managerial practices. Consequently, the purpose of the study was to establish the relationship between organizational learning and service quality. This research was survey-based, whereby primary data was collected with the use of a questionnaire. Data collected included dimensions of organizational learning (Information acquisition, Information interpretation, Information sharing, Information quality and Behavior and cognitive changes) and dimensions of service quality (Tangibles, Reliability, Responsiveness, Assurance and Empathy). The sample comprised of 120 employees from the hospitality organizations in Kampala, Uganda's capital city where the head offices of these organizations are located. Simple random sampling was used to select respondents. 120 questionnaires were distributed to targeted managerial staff in the hospitality organizations in Kampala. 105 completed questionnaires were returned. However, 2 of the returned questionnaires had missing data and were discarded from analysis. As a result, 85.8% (103/ 120) of questionnaires were used in the analysis. Descriptive statistical analysis, correlation and multiple regression analysis was employed to establish the relationship between organizational learning and service quality. The overall findings revealed that organizational learning had a strong positive relationship on service quality levels within selected hospitality organizations in Kampala Uganda.

Keywords: Organizational learning, service quality, hospitality industry.

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INTRODUCTION

Service quality within hospitality organizations cannot be over-emphasized, it is not voluntary rather a must-have to enhance service quality [8]. Service quality from [4] means the extent to which customer's anticipations have been realized, "It is a contrast between anticipated and actual service". Good quality service ensures satisfied customers. The unpredictability of the hospitality business environment compels hospitality firms to embrace organizational learning as an approach to enhance service quality, boost survival and competitiveness. Organizational learning enhances hospitality business ability to execute pertinent changes in time and decisions that are in line with the changes in the business environment [1]. Organizational learning is critical as it leads to highly performing, competitive and innovative service-based hospitality enterprises [7]. Service providers cannot afford to ignore the role that organizational learning plays in organizations, given the changing business environments of the 21st century. Changes in the business environment that necessitate learning will

continue to take place and they affect hospitality firms not only in Uganda but the world over.

In the Ugandan hospitality industry, technological changes have seen an increase in competition in the market and the need for improved service quality. The small hospitality firms are now able to fairly wrestle for customers with the large hospitality business operators in the market. According to [12], the volume of private tour operators in Uganda has risen and this has resulted in increased competition in the hospitality industry necessitating boosting of service quality. The small and unregistered tour operators, restaurants, pubs and inns have become visible and pose a great threat to the large and registered airlines, hotels and tour operators. Faced with the above challenges, the formal and registered hospitality business operators do not seem to be taking visible and significant steps to improve service quality and to dodge the challenges brought about by change. Many scholars, who carried out empirical studies on organizational learning and service quality, conclude that there is a positive

relationship between organizational learning and service quality [2, 3, 5].

The view that organizational learning practice is a source of competitive advantage and that it improves on service quality is supported by [6, 8]. These authors argue that organizational learning enables a business to efficiently process information and create valuable knowledge that is critically important in enhancing business decisions and effective service delivery. [7] Argues that organizational learning enhances hospitality service quality through increasing adaptation abilities to changing customer tastes and preferences and to the changes taking place in the market. According to [4], a business becomes adaptive to changing environments if it is quick at processing and disseminating information to its various members. Therefore, organizational learning is worth studying, given the modern-day business environments that are continuously changing and highly unstable.

Evidently, literature shows that organizational learning can be used to solve the problems arising from changing customer requirements, but this strategy does not seem to be benefiting hospitality operators in Uganda much. There are no vibrant signs that organizational learning is being practiced to enhance service quality in Uganda's hospitality industry. There are no new services coming from the industry as a sign that organizational learning is benefiting the sector. The low level of innovation in the hospitality industry in Uganda is a sign that the businesses are not making use of organizational learning to improve on service quality and their competitive standing.

The various challenges faced by the hospitality operators in Uganda and the missed opportunities in the form of new products and services, inhibit these firms from benefiting from the positive influence of organizational learning in their service quality, in-line with literature. If not put in check, this is likely to impede their headway and lead to failure, especially in the contemporary turbulent hospitality business operating environment. It was out of this concern that this study endeavored to examine the relationship between organizational learning and service quality in the hospitality industry in Uganda, and propose possibilities of improving the status quo. The aim was to establish if organizational learning can be used as a tool to enhance the service quality of hospitality businesses in Uganda and provide recommendations for improving their operations and chances for survival.

METHODOLOGY

The study employed a cross-sectional survey design to investigate the influence of organizational

learning dimensions (information acquisition, information interpretation, information sharing, information quality and behavior and cognitive changes) on service quality. The quantitative research design was used as it is regarded as an excellent way of determining conclusive results [10]. The population was drawn from Uganda Hospitality Owners Association listed companies. The sample comprised of 120 employees from the hospitality organizations in Kampala, Uganda's capital city where the head offices of these organizations are located. Simple random sampling was used to select respondents. This is a technique that removes bias in the selection of a sample as each item in a population gets an equal chance of inclusion in the sample. In each participating firm, the organization register was split into low level staff, middle management and senior management, before the researcher randomly selected the respondents. This gave each employee at each level an equal chance of being selected to participate in the study. A large number of employees from each firm were considered so as to eliminate bias towards the actual results being obtained in an organization.

A structured questionnaire, which included closed ended and multiple choice questions, was used. 120 questionnaires were distributed to targeted managerial staff in the hospitality organizations in Kampala. 105 completed questionnaires were returned. However, 2 of the returned questionnaires had missing data and were discarded from analysis. As a result, 85.8% (103/ 120) of questionnaires were used in the analysis.

Data analysis involved inspection of the questionnaires for completeness and correctness of the captured information. Data was then captured into SSPS software statistical package and an examination of descriptive responses done according to the performed frequency distributions and descriptive statistics. Correlation analyses were performed to assess the degree of association between variables under study. Multiple regression analysis was also conducted so as to identify the extent to which the variables under study influence service quality.

RESULTS

Descriptive statistics

Descriptive statistics run show that the arithmetic means for all of the measures of organizational learning were greater than 3, the midpoint of the 5 point Likert Scale that was used. Information acquisition (INFOAQU) recorded a mean of 4.52, information interpretation (INFOINT) 4.5, information sharing (INFOSHA) 4.11, information quality (INFOQUA) 3.76 and behaviour and cognitive changes (BCC) 4.12. Table 1 below summarizes the descriptive statistics findings from the data analysis that was carried out.

Table-1: Descriptive Statistics

	Mean	Std. Deviation	Variance
INFOAQU	4.52	0.93	0.87
INFOINT	4.50	1.05	1.10
INFOSHA	4.11	0.87	0.76
BCC	4.12	0.84	0.71
INFOQUA	3.76	0.95	0.89
SERVQUAL	3.64	2.36	5.57

These results show low values of variability for organizational learning measures but high variability on service quality measures. Information acquisition (INFOAQU) had a variance of 0.87, information interpretation (INFOINT) 1.10, information sharing (INFOSHA) 0.76, behaviour and cognitive changes (BCC) 0.71, information quality (INFOQUA) 0.89 and service quality (SERVQUAL) 5.57.

learning and service quality. Since the data were found to be unevenly distributed, Spearman’s correlation was used. The key independent variables were information acquisition (INFOAQU), information interpretation (INFOINT), information sharing (INFOSHA), information quality (INFOQUA) and behaviour and cognitive changes (BCC). The key dependent variable was service quality (SERVQUAL).The correlation tests results are shown in Table 2 below.

Correlation analysis

Correlation analysis was carried out to establish the nature of relationship between organizational

Table-2: Correlation Analysis

		INFO AQU	INFO INT	INFO SHA	BCC	INFO QUA	SERV QUAL
INFOAQU	Correlation	1.000					
	Sig.	0.00					
	N	103					
INFOINT	Correlation	.018	1.000				
	Sig.	.000	0.000				
	N	103	103				
INFOSHA	Correlation	.015	.434	1.000			
	Sig.	.000	0.000	0.000			
	N	103	103	103			
BCC	Correlation	.136	.331	.237	1.000		
	Sig.	0.000	0.000	0.00	0.000		
	N	103	103	103	103		
INFOQUA	Correlation	.179	.364	.320	.171	1.000	
	Sig.	.000	0.000	0.000	0.000	0.000	
	N	103	103	103	103	103	
SERVQUAL	Correlation	.221*	.312**	.306**	.352**	.384**	1.000
	Sig.	0.000	.001	.002	.000	.000	.

Regression analysis

Regression analysis was carried out for three purposes: to determine the overall predictive power of the whole model in predicting the dependent variable, to ascertain the suitability of the model in predicting the

dependent variable and to establish the relative predictive power of the individual learning dimensions in estimating the dependent variable. The regression analysis results are shown in the following Table 3.

Table-3: Regression analysis

Model	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
CONSTANT	10.630	3.535		3.007	.003
INFOAQUA	.452	.220	.179	2.055	.043
INFOINT	.160	.232	.071	.687	.494
INFOSHA	.426	.260	.157	1.639	.104
BCC	.617	.249	.220	2.478	.015
INFOQUA	.700	.243	.280	2.884	.005

$R^2=0.309$, Adjusted $R^2=0.273$, $F=8.656$; $p=0.00$

These results show that the explanatory power of the model is 27.3%, as measured by the adjusted R^2 which demonstrates that 27.3% of variance in the service quality of hospitality organizations in Uganda is explained by organizational learning variables (information acquisition (INFOAQU), information interpretation (INFOINT), information sharing (INFOSHA), information quality (INFOQUA) and behavior and cognitive changes (BCC)). The other 62.7% is explained by other variables which were not investigated in this study. Table 3 also shows that the model which is made up of the five organizational learning constructs is a significant one in explaining service quality of hospitality business operators in Uganda (Sig. = 0.000, $F = 8.656$).

The regression analysis reveals that not all of the five constructs are individually significant in enhancing service quality. The three constructs that are significant in enhancing service quality are information acquisition ($p < 0.05$, $\beta = 0.179$), behaviour and cognitive change ($p < 0.05$, $\beta = 0.220$) and information quality ($p < 0.05$, $\beta = 0.280$). The two, information interpretation ($p > 0.05$, $\beta = 0.071$) and information sharing ($p > 0.05$, $\beta = 0.157$) were not statistically significant in enhancing service quality.

DISCUSSION

The first hypothesis (H1) predicted a positive relationship between information acquisition and service quality. This hypothesis was confirmed ($\beta = 0.179$, $p < 0.05$). The result was supported by positive correlation ($r = 0.221$, $p < 0.05$). The finding is in line with the views of [9, 2, 6] that organizations that gather relevant information in changing business environments are highly adaptive, innovative and perform better than their counterparts who do not gather relevant information. A business organization that gathers information through various means, such as internal and external training of employees, is better placed to adapt to change and achieve better results than the ones that do not gather information in today's information era. Those organizations that do not gather information are caught by surprise when changes take place and they are unlikely to survive in the contemporary business world that is ever-changing.

The second hypothesis (H2) predicted a positive relationship between information interpretation and service quality. This hypothesis was rejected because ($\beta = 0.071$, $p > 0.05$). Regression analysis results were not consistent with the views of scholars such as [1, 5, 7] that information interpretation is very important in boosting service quality. This study failed to support the view since the results showed that information interpretation was individually insignificant in enhancing service quality. The possible reason for this could be that the hospitality businesses, just like any other organization in Uganda, are facing the prevailing liquidity crisis. Given the scarcity of

financial resources, it is highly likely that information interpretation by using external reports and consultancy is viewed as an unnecessary cost that a business can dodge.

The third hypothesis (H3) predicted a positive relationship between information sharing and service quality. This hypothesis was not supported ($\beta = 0.157$, $p > 0.05$). The study revealed that information sharing was not a significant organizational learning practice that enhances service quality. These findings were in contrast with the view of scholars like [5, 9, 4, 8] that sharing of information and knowledge in organizations enhances the service quality, innovation and creativity. The possible reason behind the contrasting findings could be that managers in the hospitality industry are finding it beneficial not to share information specifically with other organizations, in view of the shrinking markets in Uganda. It could be that the managers in the hospitality industry are too skeptical that if they share the information, they give competitors the edge to wrestle in the small and highly competitive market.

The fourth hypothesis (H4) predicted a positive relationship between information quality and service quality. This hypothesis was supported ($\beta = 0.280$, $p < 0.05$). Information quality is, therefore, a very important organizational learning construct that leads to better service quality in the hospitality industry in Uganda. These findings were in line with the views of [2, 7, 6] that better business decisions are made from quality information and better decisions enhance service quality. The quality of information is important because it determines the accuracy, relevancy and accessibility of information. For example, if the managers make a delayed decision because the information is not easily accessible, then service quality of the organization is negatively affected. On the other hand, if managers get accurate, relevant and correct information, it follows that the decisions that they make enhance the service quality of their organizations.

The fifth hypothesis (H5) predicted a positive relationship between behaviour and cognitive changes and service quality. This hypothesis was supported ($\beta = 0.220$, $p < 0.05$). Regression results show that behaviour and cognitive changes lead to better service quality of the hospitality organizations in Uganda. These findings are consistent with the views of [5, 10, 3, 6] that behaviour and cognitive change leads to better service quality. Behaviour and cognitive changes are important because they translate words into action. Given a working environment that fosters proper employee behaviour, a service organization is bound to improve its service quality. The behaviour of the employees is supposed to be aligned to the company's corporate goals and the corporate culture as well. When employee behaviours and beliefs are in sync with the company

corporate goals, a service organization is bound to improve service quality.

Despite the usefulness of this study as aforementioned, the research is not without its limitations. As already outlined, it was sector specific, concentrating only in the perspective of hospitality organization's employees who are operating under the constraints of a struggling market and economy. Perhaps if a research could focus on the whole service industry, more comparative results would be obtained. Further researches that look at different sectors may add more value through cross sector comparison of the findings. Finally, an expansion to involve other hospitality organizations beyond the periphery of Kampala, may enrich the generalization aspect of the findings.

CONCLUSION

Organizational learning has proven to be a strategy for service quality. In the form of behaviour and cognitive change, it is critically important in enhancing service quality. It is important to allow individuals to learn from mistakes because it enhances the individuals' creativity and innovation. Organizational learning in the form of quality of information has shown that it is very important in enhancing service quality, because the decisions that managers make are a function of the quality of the information that they use. Managers in Uganda's hospitality industry should focus their attention in practicing organizational learning as a way to dodge the problems being faced due to changes taking place in the hospitality business environments. Given the ever-changing business environments, the hospitality business operators need to continuously adapt to change and this can be achieved through effective organizational learning practices. Managers should create an environment that ensures effective organizational learning through behaviour change by the employees. The employees' behaviour and beliefs need to be aligned to the corporate objectives of the organization and this can be achieved through creating an environment where employees are motivated to be at work e.g. allowing the employees the opportunity to learn from their mistakes. There ought to be a conducive environment in the hospitality industry for the creation of enabling organizational learning practices to flourish. Managers should make use of accurate, relevant and timely information when making decisions. This can be achieved by having dedicated individuals whose task is to gather the information that is important in the market for decision making.

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