

**The Role of Sustainable Human resource Management on  
Organizational Performance: (The Case of Hilton Addis  
Ababa)**

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**Addis Ababa University School of Commerce  
Graduate Studies**

**June, 2015  
Addis Ababa University**

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**In Partial Fulfillment of the Requirements for the Degree of  
Master of Arts in Human Resources Management**

**Addis Ababa University School of Commerce  
Graduate Studies**

**June 2015  
Addis Ababa University**

## Declaration

I hereby declare that this work entitled “*The role of sustainable human resources management on organizational performance: (The case of Hilton Addis Ababa)*”, is the outcome of my own effort and study and that all sources of materials used for the study, to the best of my knowledge, have been duly acknowledged. I have produced it independently except for the guidance and suggestion of my research advisor.

This study has not been submitted for any degree in this university or any other university. It is offered for the partial fulfillment of Degree of Masters in Human Resources Management.

Declared by: BeniamWorku

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



## STATEMENT OF THE AUTHOR

First, I declare that this thesis is my original work and that all sources of the materials used for this thesis have been dully acknowledged. The thesis has been submitted in partial fulfillment of the requirement for M.A Degree at Addis Ababa University and it is deposited at the University Library to be made available to borrow under rules of the Library. I seriously declared that this thesis is not submitted to any other institutions anywhere for award of any academic degree, diploma, or certificate.

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Date of Submission: May 2015

## **BIOGRAPHICAL SKETCH OF THE AUTHOR**

The author was born in January 1982 at Addis Ababa city in Arada sub city. He attended his elementary education at Birhan Ethiopia and John F. Kennedy Junior Elementary Schools and joined Black lion Senior Secondary School. Then, he has got a chance at Addis Ababa University in 2000 G.C and received a Diploma and Bachelor of arts in Accounting. After that he has served in Addis Ababa university school of commerce as a loan officer and then joined the Hospitality industry at Hilton Addis Ababa, worked in Finance, Purchasing and currently he has changed his career path to the management field and working in Human resource department since May 2014.

## ACKNOWLEDGEMENTS

First, I am greatly indebted to the almighty God for helping me to complete this thesis work and for all his help throughout my life

I would like to express my sincere and heartfelt gratitude to my advisors **Dr. WubeshetBekalu** for the follow-up, his unreserved and useful comments and corrections throughout the preparation of this thesis work

My heartfelt gratitude also goes to AdanuTaffese-Director of Human Resources at Hilton Addis Ababa for being my mentor in Human resource development, generous and positive guider on my final thesis together with the executive members of the company.

My special thanks is extended also to all of my beloved family. Dear colleagues, my special gratitude will always be in mind for all your support and guide in the preparation of the paper.

Finally, I would like to thank in general all team members of Hilton Addis Ababa team for their participation and concern during the survey.

# TABLE OF CONTENTS

CONTENTS	PAGE
STATEMENT OF THE AUTHOR .....	i
BIOGRAPHICAL SKETCH OF THE AUTHOR.....	ii
ACKNOWLEDGEMENTS.....	iii
TABLE OF CONTENTS.....	iv
LIST OF TABLES.....	vi
ACRONYMS.....	vii
ABSTRACT.....	viii
CHAPTER ONE.....	1
INTRODUCTION .....	1
1.1. Background of the Study.....	1
1.2. Statement of the Problem .....	4
1.3. Research Questions .....	5
1.4. Objective of the Research .....	6
1.4.1 General Objective.....	6
1.4.2 Specific objectives.....	6
1.5. Significance of the Study .....	6
1.6. Delimitation of the Study .....	7
1.7. Limitation of the Study .....	7
1.9 Definitions of Terms .....	8
CHAPTER TWO .....	9
LITERATURE REVIEW .....	9
2.1. Definitions of HRM.....	9
2.2 .The resource-based view of SHRM .....	10
2.3 .The Concept of Sustainable HRM.....	10
2.4 .Definition of Sustainable HRM.....	12
2.5 .Designing HR Practices sustainably.....	12
2.6 .The Roles of HR.....	13
2.7 .The New HR Skills required for sustainable e HRM.....	14

2.8 .Theoretical Framework .....	15
Performance.....	16
CHAPTER THREE .....	17
RESEARCH DESIGN AND METHODOLOGY .....	17
3.1.Research Design .....	17
3.2.Source of Data .....	18
3.3.Population and Sampling Techniques .....	18
3.3.1 Population .....	18
3.3.2 Sampling Technique & Sample Size .....	18
3.4.Instruments and Procedure of Data Collection.....	20
3.5.Variables in the Study .....	21
3.6.Method of Data Analysis.....	21
3.7.Validity & Reliability Issue.....	21
CHAPTER FOUR .....	22
DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF RESULTS .....	22
4.1Analysis of the Closed End Questionnaires .....	22
4.2Analysis of The Open-End Questionnaires .....	37
CHAPTER FIVE.....	40
SUMMARY, CONCLUSION, AND RECOMMENDATIONS .....	40
5.1.SUMMARY .....	40
5.2.CONCLUSION .....	42
5.3.RECOMMENDATION.....	43
References .....	45
Appendix	

## LIST OF TABLES

Table 3.1: Sample Size Proportion in each Department of the Hotels.....	20
Table 4.1:- The Characteristics of the Respondents .....	23
Table 4.2:- Understanding of the Sustainable Human Resource Management .....	24
Table 4.3:- Responses Regarding Recruitment Process .....	25
Table 4.4:- Responses Regarding Placement Process .....	26
Table 4.5:- Responses Regarding Work Life Balance .....	28
Table 4. 6:- Responses Regarding Development process .....	29
Table 4.7:- The Responses Regarding the Internal marketing process.....	30
Table 4.8:- Responses Regarding Retaining of staff.....	31
Table 4.9:- Responses Regarding Separation of employees.....	32
Table 4.10:- Responses Regarding SHRM-Performance link .....	33
Table 4.11:- Responses Regarding Human Resource Management and Leadership .....	35
Table 4:12 Overall Level of Sustainable HRM Points At Hilton Addis Ababa .....	36

## **ACRONYMS**

**SPSS:** Statistical Package for Social Sciences (version 16)

**SHRM:** Strategic Human resource management

**SUHRM:** Sustainable Human Resources Management

**CSR:** Corporate Societal Responsibility

**GTMS:** Global Team member's survey

**ES:** Environmental sustainability

**SALT:** Satisfaction and Loyalty tracking test

**GOP:** Gross operating Profit

**WCED:** World Commission of Environment and Development

## **ABSTRACT**

*The main purpose of this research was to assess the role of the sustainable human resource management on organizational performance of Hilton Addis Ababa. The major sources of the data were the 248-team members of Hilton Addis Ababa Hotel. Descriptive Mixed method was employed to conduct the research and in selecting the sample, a convenient sampling technique was used. In addition, the respondents were included based on simple random sampling techniques. For this thesis, questionnaire has been used to collect quantitative and qualitative data. The quantitative data collected through questionnaire were analyzed using descriptive statistical tools such as percentage, mean scores (SPSS version 20) were used for the analysis. The results of the study shows that the company has been working on sustainable HRM since three or four years back and set objectives and policies for the engagement, high performance team development and better partnership programs. Corporate societal responsibilities like community charity activities and sustainability and green initiatives , blood donation , angel box to the needy children ,the Blue energy –CSR team, working on team and guest satisfaction and the operational excellence engagement program with the motto of “ you drive and we support “ are all under the coordination of the Human Resource Department together with the management. Based on the survey result and the Observations, it can be concluded that the company holds an experienced and loyal team in the country’s hotel industry and the market is looking for to the pool and significantly a qualified and well trained labor is moving for better opportunity. In addition, the company needs to improve the Ineffective supervision, poor recognition, inadequate basic salary, inadequate fringe benefit, and poor communication level, which should be cascaded to the departmental level. On the other hand, the Performance development review, better learning opportunity the societal responsibility and productivity improvements are going well and promising to contribute to the performance of the organization.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

The widely used definition of Sustainable Development has its origin in the World Commission of Environment and Development (WCED), also known as the Brundtland Commission, that was created to address growing concern about the accelerating deterioration of the human environment and natural resources, and its consequences for economic and social development (Van Wyk, 2008). In its report “Our Common Future” that was released in 1987, the WCED defined sustainable development as follows: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs". It highlighted three fundamental components to Sustainable Development, environmental protection, economic growth and social equity.

Organization performance has quite a varying meaning. From a process view, performance means the transformation of input into outputs for achieving certain objective, with it a regards to its content. Performance informs the organization about the goal achieved so far, the one that need to be achieved in a given time. According to the business dictionary, organizational performance analyzes company's performance as compared to goals and objectives.

In corporate organizations, there are three main outcomes analyzed: financial performance, market performance and shareholder value performance. Organizational performance encompasses three specific areas of firm outcomes:

- a) Financial performance (profits, return on assets, return on investment)
- b) Product market performance, sales, market share
- c) Shareholder return, total shareholder return, economic value added, (Richard et al, 2009)

Organizational performance can also involve the recurring activities to establish organizational goals, monitor progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently. To achieve a long-term goal, the introduction of the sustainable human resource management is paramount in every willing organization that has a drive for organizational excellence.

## **Hilton Addis Ababa**

Hilton hotels and resorts formerly known as Hilton hotels is an international worldwide chain of full service hotels and resorts, which offer business and leisure to travelers with the finest in accommodations service, amenities and value. Since Conrad Hilton bought his first hotel in 1919 in Cisco, Texas. Hilton hotels are expanded geographically by producing original and travel concepts, and developed innovation technology to enhance the guest experience. Today Hilton hotels and resorts is the leading global Hospitality Company, spanning the lodge sector from Luxurious full service Hotels and resorts to extended stay suits and mid-priced Hotels owned, managed by or franchised to independent operators by Hilton worldwide. It has 12 brands around the world.

Hilton Worldwide is one of the largest hospitality companies in the world, and is growing faster than ever. The 96-year history as pioneers in the industry makes it the preferred venue for travelers, developers, partners, and employees alike. It was head quartered in Beverly Hills, California from 1969 until 2009. The company moved to Tysons Corner, unincorporated Fairfax County, Virginia, near McLean in August 2009. In October 2007, Christopher J. Nasseta was appointed as president and chief executive officer and he is also the current president and chief executive officer.

The Hilton Addis Ababa hotel is located at Menelik Avenue with close proximity to the headquarters of the African Union (AU) and the United Nations Economic Commission for Africa (ECA), between the national palace and the grand Menelik palace and opposite to the Ministry of Foreign Affairs right on ideal place for both visitors and diplomats. This historic hotel, constructed and opened in July 1969G.C. during the reign of Emperor HaileSelassie is just 15 minutes from Bole International Airport and a short drive to many

of the city's popular tourist attractions, including the Holy Trinity Church. Blending traditional Ethiopian touches with contemporary style, the twelve (12) story's majestic building of the hotel is architecturally designed to mirror the famous Lalibela cross which is one of the most popular tourist attractions of Ethiopia and considered as the Eighth work of the world. The motif is recurrent throughout the hotel, from the design of the bedroom balconies to the cross-shaped swimming pool.

The hotel complex, which is placed on fifteen (15) acres of land together with the garden wing extension completed in 1987G.C, has 372 air-conditioned and fully furnished guest rooms with direct telephone line, satellite TV, and minibar. These rooms offer pool or mountain views, original artwork, comfortable sleeping areas and ample workspace. The Suite or Executive Floor rooms provide more space, complimentary Wi-Fi and access to the Executive Lounge with complimentary food and beverage offerings throughout the day. The studio having one or two bedroom apartments with its own kitchen are preferable for extended stay. With its five distinctive restaurants, three bars and a 24 hours open room service, Hilton Addis Ababa offers an enticing range of cuisines and settings, including the popular poolside an open-air Gazebo restaurant and recreation Sunday brunch with live music, or rustic wood-fired specialties from the pizzeria at an international service standard. The hotel can host a board meeting for 25 delegates in one of three meeting rooms, or for a larger event, the ballroom is capable of accommodating up to 600 guests. Event support staff provides bespoke planning, coordination and catering services. A business centre for prompt communication and courier service, and a modern efficient laundry and valet service are parts of the facilities of the hotel.

Among the sport and relaxation options offered are, the thermally heated cross shaped swimming pool, four tennis courts including one with flood lighting for the evening play, men's and women's Sauna, steam and Jacuzzi, where one after a day of work or retreat may also book a relaxing massage, squash court; mini golf, and a putting green with driving net and bunker. The Hotel is run by 5 expatriate managerial level staff (general manager, the operations manager, the director of business development the food and beverage manager the executive chef), and 655 Ethiopian staff.

One of the distinct features of the hotel industry is its people oriented-ness characteristics. According to Gallardo et al. (2001), employees' ability, attitude and behavior are a corner stone of business success in hotel industry, especially in today's competitive times. The role played by employees in hospitality industry is therefore, the key for gaining competitive advantage. The most determinant factor in hotel industry to be a leader in the stiff competition is consistently ensuring guest satisfaction and creating a memorable experience during their stay. In recent years, the construction of new hotel premises in the capital is highly escalating. The country is now having a variety of star hotels, which are now competing in delivery of quality service to Guests.

In general, this study delivers its contribution by studying the role of sustainable human resource management on organizational performance in the case of Hilton Addis Ababa. The analysis of this emerging management system in the hotel industry is very important to maintain skilled, qualified and professional workers. In the process of delivering quality service, creating an effective service climate is the first priority for most hotels (He, Li and Lai, 2011). This will create a convenient environment for employees to impact on organizational performance by engaging themselves in the daily operations of the Hotel.

## **1.2 Statement of the Problem**

Few empirical and exploratory investigations have addressed the link between sustainability and HRM. One reason for this is that the topic "Sustainable HRM" is only just emerging in practice and research. Prior exploratory research has focused on identifying "best practices" for Sustainable HRM and on identifying companies via case studies which are doing particularly well in this area.

But prior research has not yet explored how companies represent their understanding of sustainability for HRM to their key stakeholders, how they justify the link between sustainability and HRM, and which key arguments are presented in this debate. For corporate sustainability research in general, Salzmann et al. (2005) recommend that more descriptive studies should explore managers' key economic arguments for CS strategies.

Equally important is the investigation of key arguments for sustainability strategies when it comes to the justification of sustainability for HRM.

This gap between research and the state of the art in the field of sustainability and HRM justify further conceptual and analytical work in this area and call for complementing it with the help of an exploratory approach.

The student researcher has seen that foreign scholars on the sustainable issues conducted several researches, however locally a particular research in sustainable HR system of the Hospitality industry has not been investigated. Hilton Addis Ababa is the high ranking hotel on which investigation of the role of sustainable HR system on organizational performance is to be made. The study will have a great output in the effort of Modern HR management in the Hospitality sector and will impact the achievement of gaining a competitive advantage

### **1.3 Research Questions**

1. What is the relationship between Sustainability and HRM of Hilton Addis Ababa?
2. How does Hilton Addis Ababa represent the understanding of sustainability for HRM to the stakeholders?
3. What is the relationship between Sustainable HRM and organizational Performance of Hilton Addis Ababa?
4. What is the role of Human resource in implementing Sustainability for increasing Organizational performance of Hilton Addis Ababa?

## **1.4 Objective of the Research**

### **1.4.1 General Objective**

The main purpose of this research is to investigate the sustainability of the Human resource management and its role on organizational Performance of Hilton Addis Ababa.

### **1.4.2 Specific objectives**

Specific objectives addressed within the above broad aim are:

1. To investigate the relationship between Sustainability and HRM of Hilton Addis Ababa,
2. To assess How Hilton Addis Ababa represent the understanding of sustainability for HRM in the link between HRM and Sustainability,
3. To investigate the relationships between sustainable HRM and organizational performance of Hilton Addis Ababa,
4. To determine role of HRM in implementing the Sustainable HRM to increase Organizational Performance of Hilton Addis Ababa.

## **1.5 Significance of the Study**

Research shows that to successfully integrate the economic, environmental and social responsibilities of sustainability into every business process, effective employee engagement is necessary (Psilou, 2011). The challenge is to find the impulses that motivate employees to be more committed to a company, their supervisor and the team itself.

This research is important in that it practically shows the emergent trend in Human resource particularly the sustainable Human resource Management. The study will shed light to further researches in the hospitality HR and it will track the obstacles that hinder the system to not to be implanted and exploited. Hilton Addis Ababa is accommodating many conferences that have been hosted in the city and tourists that are coming to visit the country. So, the study will have an important role in highlighting the issues of sustainable HR to the stakeholders involved and the concerned parties.

## **1.6 Delimitation of the Study**

Due to difficulties to get information from RadisonBlu, the researcher's intention to make a comparative study could not be achieved and the focus is shifted to an individual investigation on Hilton Addis Ababa, which is the only willing hospitality industry, found in Addis in preceding the study. In addition, except Managers a simple random sample proportionally taken from the department's employees has been taken during the survey.

## **1.7 Limitation of the Study**

The study is limited to Hilton Addis Ababa as the only willing star hotel to facilitate the research, which might affect the Generalizability. Most of the requested Hotels were not cooperative by reasoning a confidentiality issue to conduct an HR research. In addition, the study was dependent on willing Manager's time and employee's participation, which was challenging particularly in the hotel industry where a difficulty exists during data collection due to different shifts.

## **1.8 Organization of the Study**

This research study is consisted of five chapters. Chapter one dealt with the introduction parts of the study, which includes: Background of the study, Statement of the problem, Objectives of the study, Significance of the study, Scope and limitation. The second chapter deals with the literature review on the conceptual and methodological framework of sustainable Human resource management. The third chapter dealt with the research design and methodology. The fourth chapter is concerned with data presentation and analysis. The fifth chapter include summary of findings, conclusion and recommendation.

## 1.9 Definitions of Terms

**Sustainability** is the ability to meet the needs of the present without compromising the ability of future generations to meet their needs. (BrutlandCommison, 1987)

**Organization performance** consists of financial performance (profit, ROA, ROI); Product market performance (sales and market share) and shareholder return (total shareholder return and economic value added). (Richard et.al, 2009)

**Sustainable HRM**Sustainability in HRM is defined as “those long-term leaning concrete approaches and actions aimed at a collectively conscientious and cost-effectively appropriate recruitment and selection, development, operation, and release of employees.” (Thom and Zaugg, 2004).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter deals with the review of related literatures in order to find the effort made so far with regard to the Sustainable HRM. The reviewing literatures of the student researcher has found it necessary to focus on selected topics and subtopics which include, Definitions of HRM, Theresource-based view of SHRM, The Concept of Sustainable HRM, Definition of Sustainable HRM, Designing HR Practices sustainably, The Roles of HR, The New HR Skills required for sustainable HRM, Theoretical Frame work. Each of them will be presented below sequentially.

#### **2.1 Definitions of HRM**

HRM involves acquiring, developing, utilizing and retaining employees and is practiced in some form in all organizations, by either HR professionals, or general managers (Ferris, Sherman & Rosen, 1995). HRM aims at managing the internal work-relationships in a way that makes sure they are productive and meet individual as well as societal demands and expectations (Arnold, 2005). The utilization of people within an organization is a function of a broad range of factors, such as the leadership, culture and objectives of the organization; the environment in which employees are expected to work; and the diversity and self-management of the employees themselves (Ferris, Sherman, & Rosen, 1995).

The 'soft 'version of HRM emphasizes the importance of high commitment, workplace learning and enlightened leadership. Most normative HRM models, whether US or British, assert that the organization's 'human resources' are valued assets, not a variable cost, and emphasize the commitment of employees as a source of competitive advantage (Legge, 1995). Assumptions about the nature of human potential and the ability to tap that potential are based on organizational behavior theories posited by such writers as Maslow (1954) and Herzberg (1966). The notion that commitment and performance can be enhanced by leadership style is based on the high-trust assumptions of McGregor's Theory Y (1960).

By contrast, the 'hard' version of HRM emphasizes the calculative, quantitative and strategic management aspects of managing the workforce in a 'rational' way (Storey, 1989).

## **2.2 The resource-based view of SHRM**

The resource-based view of the firm (RBV) represents a paradigm shift in SHRM thinking by focusing on the internal resources of the organization, rather than analyzing performance in terms of the external context. Advocates of the resource-based view of SHRM help us to understand the conditions under which human resources become a scarce, valuable, organization-specific, difficult-to-imitate resource, in other words key 'strategic assets' (Barney and Wright, 1998; Mueller, 1998; Amit and Shoemaker, 1993; Winter, 1987). Proponents of the resource-based view of the firm (Penrose, 1959; Wernerfelt, 1984; Amit and Shoemaker, 1993) argue that it is the range and manipulation of an organization's resources, including human resources, that give an organization its 'uniqueness' and source of sustainable competitive advantage. Their work has resulted in an 'explosion of interest in the Resource-Based perspective' (Boxall and Purcell, 2003: 72), particularly in seeking ways to build and develop 'unique bundles' of human and technical resources that will lead to enhanced organizational performance and sustainable competitive advantage.

## **2.3 The Concept of Sustainable HRM**

As so far at least two distinct concepts have appeared on Sustainable HRM: the first one proposes an integrative HRM concept for reconciling economic competitive-ness, self-responsibility, and social responsibility, while the second assumes that sustainability is an economically rational concept and thus ignores identifying a locus of responsibility. Sustainable HRM in the first concept is defined as those long-term oriented conceptual approaches and activities aimed at a socially responsible and economically appropriate recruitment and selection, development, deployment, and downsizing of employees (Ehnert, 2006).

Sustainable HRM is interpreted as a cross-functional task. Theoretical foundations of this approach are derived from the sustainability literature, from Sustainable work system and from Strategic human resource literature. The researchers assume that companies, employees, and society are mutually in charge of sustainable activities. Therefore, responsibility is extended to employees' responsibility for themselves and for their careers. Human resources are interpreted as 'subjects', as equal partners, and as self-responsible actors.

It is also assumed, that employees' individual objectives include improved employability, increased desire to participate in decision-making processes, higher quality of life, and balancing roles within and outside of work (work-life-balance). In general, the approach conceptualizes sustainability as a mutual benefit for all stakeholders and as a contribution to long-term economic sustainability. Economic success alone is not regarded as sufficient for long-term organizational viability. The authors of the Strategic HRM concept agree with the assumption but seek to find an economically rational explanation for sustainability in organizations and criticize social responsibility as overemphasized in the literature.

In this instrumental and system-based concept, Sustainable HRM is defined from a Sustainable Management perspective as what companies themselves have to do in their environments to have durable access to skilled human resources.. The proponent's intention is not to remind actors of their responsibilities or moral obligations for the employees or the society. Instead, the central assumption is that it is economically rational to act in a sustainable way if resources are limited and that a sustainability perspective could lead to a more realistic theory of the firm. The conceptual objective of this approach encompasses exploring a causal explanation for mutual exchange relationships between organizations and their environments, and developing a general theoretical approach for handling scarce resources (Ehnert, 2006). Organizational environment is not regarded as a set of constraints but as a 'source for resources' which companies need for their long-term existence. To exploit these resources on a long-term basis, the sources for resources have to be sustained. According to this understanding, a company acts in a sustainable and economically rational way if its resource reproduction divided by resource consumption equals one.

## **2.4 Definition of Sustainable HRM**

Sustainability in HRM is defined as “those long-term leaning concrete approaches and actions aimed at a collectively conscientious and cost-effectively appropriate recruitment and selection, development, operation, and release of employees.” (Thom and Zaugg, 2004). Sustainable HRM is therefore established as cross-functional task. Sustainable HRM is tool for avoiding unnecessary organizational change situations as these often make too great demands on the people involved. For example, Sustainable HRM could help sustaining employee dignity in the case of staff reduction and warranting their employment on the job market (Thom and Zaugg, 2004).

## **2.5 Designing HR Practices sustainably**

HRM practices influence employee skills through the acquisition and development of firm’s human capital. Recruiting procedures that provide a large pool of qualified applicants, paired with a reliable and valid selection regimen, will have a substantial influence over the quality and type of skills new employees possess. Providing formal and informal training experiences, such as basic skill training, on the job experience, coaching, mentoring, and management development, can further influence employee’s development.

The effectiveness of even highly skilled employees will be limited if they are not motivated to perform, however, and HRM practices can affect employee motivation by encouraging them to work both harder and smarter. Examples of firm efforts to direct and motivate employee behavior include the use of performance appraisals that asses individual or work group performance, linking these appraisals tightly with incentive compensation systems, the use of internal promotion systems that focus on employee merit, and other forms of incentives intended to align the interests of employees with those of shareholders.

Finally, Bailey (1993) noted that the contribution of even a highly skilled and motivated work force will be limited if jobs are structured, or programed, in such a way that employees, who presumably know their work better than any one else, do not have the opportunity to use their skills and abilities to design new and better way of performing

their roles. Thus HRM practices can also influence firm performance through provision of organization structures that encourage participation among employees and allow them to improve how their jobs are performed. Cross-functional teams, job rotation and quality circles are all examples of such structures.

## **2.6 The Roles of HR**

The greatest contributions by the HR function to sustainability effectiveness were seen in the fields of leadership development, training and development, diversity/multiculturalism, and ethics and governance. Significant contributions in areas of effectiveness also were seen across many of the companies in talent management and workforce engagement.

- Leadership Development. Strong emphasis on creating a culture of development has been noticed in many of the companies. Several companies mentioned they offer almost unlimited leadership development opportunities for their high potential employees. These are oriented around a core of sustainability as an overarching corporate goal.

- Training and Development. In a number of companies, HR's role was considered essential to educating people about sustainable development.

- Diversity and Multiculturalism. A particular challenge of diversity and multiculturalism related to the issue of transparency and metrics in the diversity policies and procedures has been observed. The second diversity challenge focused more broadly on how to achieve a "winning inclusive culture strategy" as well as how to achieve "cognitive diversity." Thirdly, there also appeared diversity challenges in the global context, including practices in the workplace and social issues affecting compensation, such as providing a living wage in developing countries.

- Ethics and Governance. HR participation in this area covered high-level HR leadership involvement on the ethics and compliance oversight committees, self-assessments, design and administration of mandatory ethics and compliance training programs (including appropriate ways to be working as well as sustainability and values), and e-learning programs. Several companies were signatories to the UN Global Compact and indicated

they have policies and performance standards that in many cases exceed local laws and regulations, especially in the developing countries.

- Talent Management. Significant contributions were also made by HR in support of sustainability from the perspectives of talent management. In the context of sustainability, the key to the recruiting and staffing that makes up talent management was providing the right people with the right mental models and values, in addition to their functional expertise. From a pragmatic standpoint, many of the companies saw sustainability as a key competitive advantage in attracting and retaining talent.

- Workforce Engagement. Employee engagement was seen as strongly related to the sustainability of the company as not only the right thing to do but as a factor enabling of customer satisfaction and business growth. Moreover, getting employees involved in the journey to sustainability was seen as a major challenge for which HR's help was sorely needed.

## **2.7 The New HR Skills required for sustainable e HRM**

Sustainable HRM does not represent a total transformation of the HR function but rather a refocus in terms of direction and underlying mindset, which reframes HR policy and plans.

However, HRM needs to understand and skillfully implement some key tenets of sustainability practice, in addition to HRM existing capabilities. Examples of these new abilities are:

- ■ A keener understanding of global and local sustainability issues that affect business performance (such as environmental issues, poverty and urbanization).

- ■ A true understanding of sustainability principles in business.

- ■ Techniques for effective stakeholder dialog and identification of core issues.

- ■ A process for using stakeholder feedback and external awareness for identifying aspects of HRM policy and practice that have broader societal impact, rather than focusing solely on internal impacts.

- ■ An understanding of the nonprofit sector and processes for forming business-NGO partnerships.

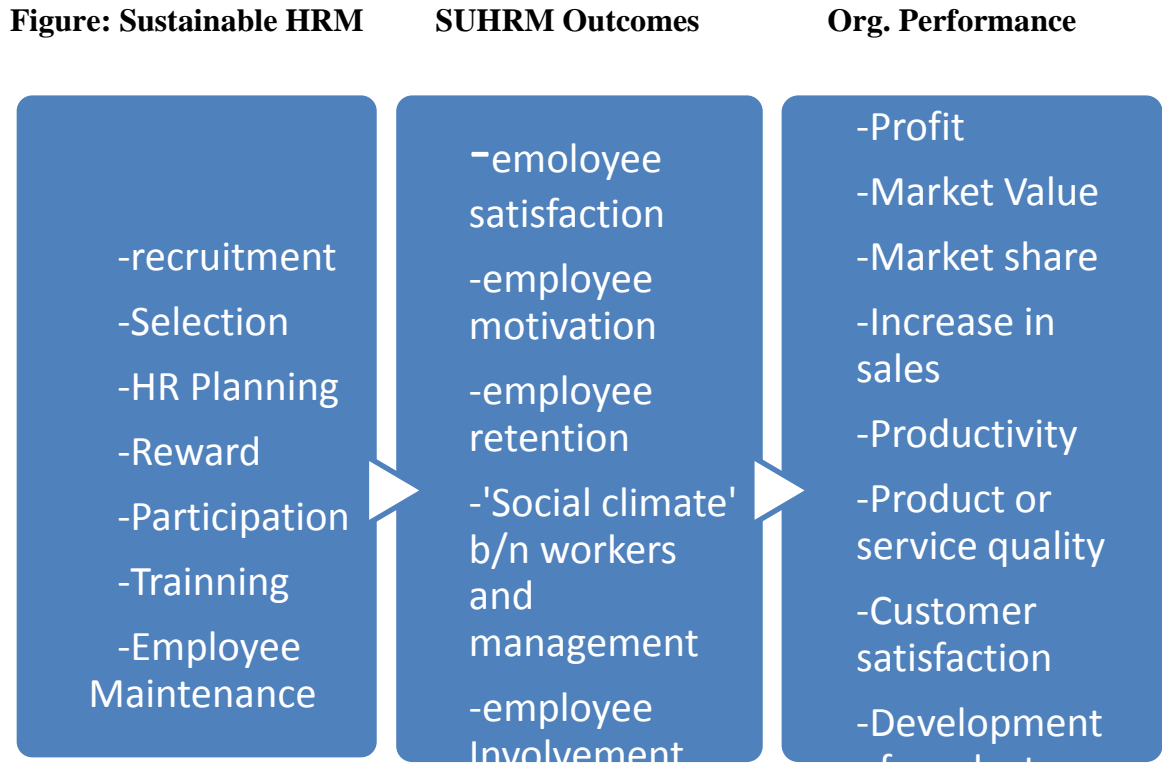
- A deeper connection to issues of diversity and inclusion and organizational climate conditions that support improved performance

## **2.8 Theoretical Framework**

The sustainable development of the organization is taking a more far approach, in its attempt for achieving a long term goals and objectives which the organization aimed to achieve within a specific period. The long-term input directed on the organization to produces an output in relation to the organizational goal and objectives is, a clear interplay of the sustainable human resource management and the organizational performance. The construct of sustainable human resource management represents the input that is directed to the organization with view for an expected results and the construct of organizational performance represents the output of the construct, expected by the first construct sustainable human resource management (Anand and Sen, 2000). Those long-term oriented conceptual approaches and activities aimed at a socially responsible and economically appropriate recruitment and selection, development, deployment, and release of employees, to produces a sustainable HRM outcomes like Employee satisfaction, Employee motivation, Employee retention, employee presence, Social climate' between workers and management Employee involvement and loyalty. The above mentioned sustainable human resource management outcomes will produces organizational performance through the following; Profit Market value, Market share, Increase in sales, Productivity, Product/service quality, Customer Satisfaction, Development of, products/services and Future investments Thus the review, has proven that sustainable human resource management has a significant impact on organizational performance. This finding concurs with that of David et al. (1999) who attest that sustainable HRM can influence organizational; employee morale and goodwill; productivity and efficiency; the quality of work; innovation and creativity and the attitude of employees at the workplace.

Similarly, Denison (1990) research indicates that HRM, influences organizational performance directly. An organization whose sustainable HRM is propagated extensively and profoundly, and practiced in management decision, enjoys much better repayments in terms of investment and sale than organizations that do not popularize. Therefore, studies prove that cultural factors can lead to the realization of a lot of the organization's value achievements, and it may be the extreme crucial factor for the success of organizations (Denison, 1990). Later research on organizational growth has gradually developed culture into a more macroscopic organizational aspect (David

etal., 1999). In short, research has shown a close connection between sustainable HRM and organizational performance at least (David et al., 1999).



**Source:** Summary of Researcher’s Approach (2013)  
 International Journal of Asian Social Science, 2013, 3(6):1287-1292

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This study attempted to assess and make a comprehensive analysis of the Role of sustainable Human resource management on organizational performance of Hilton Addis Ababa. Under this chapter: the research design, population and sampling techniques, the data collection instrument, the procedures followed during data collection, and method of data analysis that was used will be discussed as follows:

#### **3.1 Research Design**

This research has a descriptive mixed design, as there would be an inquiry for a relationship between a Sustainable HRM and organization performance, then detailed analysis and description of measurements and the situation around the variables will also be investigated.

By examining the practices and notions, this paper intends to assess the role of sustainable HRM on organizational performance of Hilton Addis Ababa. The study is based on the specific approach established by Zaugg, Blum and Thom in 2004. According to Zaugg, Thom and Blum (2004), sustainability in the management of people is built on three pillars: work-life balance, personal autonomy in professional development and employability of the workers. This model was used to explore what was happening in eight European countries when the concept of sustainable HRM was in an early stage. Therefore, this model is adapted and modified for this research and expanded to know what role does the sustainable HRM plays in the Organization performance of the Selected Hospitality industry company by involving the employees in the study.

In fact this approach was used in studying the sustainable HRM of Peruvian companies/Latin America/, but it was revolving around the Human resource managers only. So this questionnaire is adapted and extended to investigate the overall understanding and the role of sustainable human resource on the organization performance of Hilton Addis Ababa.

## **3.2 Source of Data**

The source of the data for the research will be gained from the Primary and secondary data of Hilton Addis Ababa. Questioners and observations were used for the Primary data collection. Collective agreements, Company newsletters and magazines were use during the secondary data collection.

## **3.3 Population and Sampling Techniques**

### **3.3.1 Population**

The Target population of the study was the General Managers, Human resource team, Departmental managers and employees. The total population of the study was approximated 661 Full time employees of Hilton Addis Ababa.

### **3.3.2 Sampling Technique & Sample Size**

For the sake of ensuring high response rate and quick return of questionnaire, non-probability sampling in the form of convenience sampling technique has been employed. Using such sampling technique is obligatory especially in hotel industry where employees are required to work in different shifts. Since hotel premise is among few organizations expected to serve seven days a week and twenty four hours a day (7/24 basis), there are employees who work out of normal duty hours, for instance split hours and night shift. This reason imposes difficulties for the researcher to approach respondents for distribution and collection questionnaire unless convenience sampling is employed. In addition, such sampling technique is inexpensive and less time consuming as compared to others. As the topic is mainly under the influence of managers all of the managers will be included in the sample.

In order to determine the sample size of the employees, this research has used the formula developed by Jeff Watson (2001) who is research assistant, Cooperative Extension and Outreach at University Park. According to Watson (2001), effective sample size determination includes five important step processes namely:

1. Determining goals,
2. Deciding the desired precision of results,
3. Determining level of confidence,
4. Estimating the degree of variability, and
5. Estimating the response rate

This formula which is copyrighted by The Pennsylvania State University is indicated below:

$$n = \frac{\left[ \frac{p[1-p]}{\frac{A^2}{Z^2} + \frac{p[1-p]}{N}} \right]}{R}$$

Where:

n = Sample size

N = Population size = 661

P = Estimated variance in population = 50%

A = Desired precision = 5%

Z = Based on confidence level = 95% (1.96)

R = Estimated response rate = 95%

There using the above formula the total sample size is calculated and found to be 256.

Then the proportional sample size of each department is calculated as shown in table 3.1

**Table 3.1: Sample Size Proportion in each Department of the Hotels**

<b>Departments</b>	<b>No. of Team members</b>	<b>Proportional sample size</b>
Accounting	55	21
Engineering	38	15
Food and Beverage	139	54
Front desk/Reservation	63	24
General Manager	4	2
IT	7	3
Management trainee	1	
Kitchen and steward	118	46
Housekeeping	101	39
Laundry	37	14
Sales and Marketing	13	5
Human resource	18	7
Recreation	24	9
Security	43	17
<b>Total</b>	<b>661</b>	<b>256</b>

### **3.4 Instruments and Procedure of Data Collection**

In this research, quantitative and qualitative data were needed; therefore, data collecting instrument for the research was mainly an open end and closed end questionnaire. Moreover, in-depth data collection through observation was applied in order to strengthen the quantitative information gained through questioner. The study is based on the specific approach established by Zaugg, Blum and Thom in 2004. According to Zaugg, Thom and Blum (2004), sustainability in the management of people is built on three pillars: work-life balance, personal autonomy in professional development and employability of the workers. This model was used to explore what was happening in eight European countries when the concept of sustainable HRM was in an early stage. In fact this approach was used in studying the sustainable HRM of Peruvian companies/Latin America/, but the survey was distributed to the Human resource managers only.

The student researcher has adapted and modified this model to the context of this research and expands it to know what role does the sustainable HRM plays in the Organization performance of the Selected Hospitality industry company by involving the employees in the study.

For the questionnaire, Likert scale was used & given ordinal weight as shown: Strongly Agree = 5, Agree = 4, Neither Agree Nor Disagree = 3, Disagree = 2 and Strongly Disagree = 1.

### **3.5 Variables in the Study**

This research has 9 main variables adapted and modified from a previous research on Peruvian companies, which all have subdivided within and a total of 34 variables were used for the survey. The main variables are Recruitment process, Placement process, Work life balance, Development process, internal marketing processes, Retention of staff, separation of employee, SUHRM – Firm performance link and HR - Leadership.

### **3.6 Method of Data Analysis**

The respondents' data has been analyzed using Satisfaction Package for Social Science (SPSS) version 20. Prior to inserting data in SPSS, the researcher has employed manual system to edit, code, and classify the raw data. In addition, the raw data was reviewed manually to identify errors and omissions. After making sure the accuracy of the raw data, all data were loaded in SPSS.

The descriptive statistics was employed to analyze the demographic data in the form of frequencies, percentages, mean. The researcher then use the descriptive statistics to display the data acquired in a structured, accurate and summarized manner.

### **3.7 Validity & Reliability Issue**

The researcher has revealed the concern of external validity of the research findings to the generalizability across settings and organizations and its internal validity or the ability of the research to measure what it intends to measure, try to cover adequately on the topic under study and predict some outcome on the existence of current behavior or condition.

The researcher has adapted and modified a questionnaire, which correctly forecasts the outcome of the opinions of respondents that will have a predictive validity. Then he tried to measure the attitude and personality of the respondents, associate a set of other propositions with the results received from using the measurement tool and try to correct the measurement in a predicted way with the other propositions.

## **CHAPTER FOUR**

### **DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF RESULTS**

#### **4.1 Analysis of the Closed End Questionnaires**

In this chapter, an overview of the data obtained in the study has been analyzed, presented, interpreted and discussed. Based on the first section of the questionnaire, it also outlines the demographic and personal information depicted in tabular and graphical formats. The descriptive statistics is presented thereafter.

Questionnaires were distributed to the respondents of Hilton Addis Ababa employees and out of these 256 questionnaires, 248 of them were collected. that accounts 96.87% response rate. Out of 248 questionnaires that were collected , 6 questionnaire were discarded due to incomplete response. Accordingly, the analysis of this study is based on the number of questionnaires collected.

**Table 4.1:- The Characteristics of the Respondents**

	Category	Frequency	Percent	Cumulative Percent
<b>Gender</b>	Male	146	58.9	58.9
	Female	102	41.1	100.0
	Total	248	100.0	
<b>Marital status</b>	Married	109	44.0	44.0
	Single	136	54.8	98.8
	Divorced	3	1.2	100.0
	Total	248	100.0	
<b>Age</b>	below 20	9	3.6	3.6
	20-29	57	23.0	26.6
	30-39	146	58.9	85.5
	40 & above	36	14.5	100.0
	Total	248	100.0	
<b>Educational level</b>	Certificate	72	29.0	29.0
	Diploma	113	45.6	74.6
	Degree	43	17.3	91.9
	Masters	3	1.2	93.1
	Other	17	6.9	100.0
	Total	248	100.0	
<b>Experience</b>	<=1 year	27	10.9	10.9
	1-5 years	77	31.0	41.9
	6-10 years	68	27.4	69.4
	11-15 years	39	15.7	85.1
	> 15 years	37	14.9	100.0
	Total	248	100.0	
<b>Department</b>	Accounting	22	8.9	8.9
	Engineering	12	4.8	13.7
	Food and Beverage	52	21.0	34.7
	Front Desk and Reservations	24	9.7	44.4
	Executive office	2	.8	45.2
	IT	3	1.2	46.4
	Kitchen and Steward	44	17.7	64.1
	Housekeeping	38	15.3	79.4
	Laundry	14	5.6	85.1
	Sales and Marketing and Management Trainee	5	2.0	87.1
	Human resource	7	2.8	89.9
	Recreation	9	3.6	93.5
	Security	16	6.5	100.0
	Total	248	100.0	

As shown in Table 4.1, the majority of the respondents were male that account 58.9 % while the remaining 41.1 % were female. This has resulted in male dominancy in responses than females. The marital status shows that 44% are married, 54.8 % are single and only 1.2 % of them are divorced.. Regarding the age category below 20 ages were 3.6%, 20-29 were 23%, 30-39 were 58.9%, 40 and above ages were 14.5 %. With respect

to their level of educational qualification, the majority 45.6% of the respondents were diploma level where as 29 % were certificate level, 17.3 % were degree holders, 1.2% is masters holder and 6.9% have only high school and below. Concerning the work experience 10.9 % of the respondents have less than or equal to 1 years, 31% have 1-5 years, 27.4 % have 6-10 years, 15.7 % have 11-15 years, 14.9 % have more than 15 years of experience. This shows that the organization has a relatively productive age group, on which the competitors have high conflict of interest, the hotel has many qualified employees in terms of education, and work experience in the industry and the company has invested a lot on all those years on learning and development of employees.

**Table 4.2:- Understanding of the Sustainable Human Resource Management**

The statements	SA		A		ID		DA		SDA		Means
	F	%	F	%	F	%	F	%	F	%	
There is an understanding of the concept of sustainable HRM organizationally	3	1.2	78	31.5	9	3.6	89	35.9	69	27.8	<b>2.42</b>
Equal opportunity is set for women and men	13	5.2	168	67.7	7	2.8	43	17.3	17	6.9	<b>3.47</b>
<b>Average percentage and mean</b>		<b>3.2</b>		<b>49.6</b>		<b>3.2</b>		<b>26.6</b>		<b>17.35</b>	<b>2.945</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

From the above table it can be seen that 63.7% of the respondents disagreed (SDA=27.8+DA=35.9) on the understanding of the concept of sustainability organizationally, 3.6 % were indifferent and 32.7 % of the respondents (SA=1.2+A=31.5) agreed on this regard. Concerning the existence of Gender equality 24.2 % of the respondents disagreed (6.9+17.3) and 2.8 % were indifferent and 72.9 % (5.2+67.7) agreed on this regard. Therefore, we can draw a hypothesis that the majority of the respondents have lesser understanding of the SUHRM organizationally. However, they have a remarkable consensus on the gender equality practice.

**Table 4.3:- Responses Regarding Recruitment Process**

The statement	SA		A		IND		DA		SDA		Means
	F	%	F	%	F	%	F	%	F	%	
Job requirement profiles are used to find ideal candidates for each position	9	3.6	66	26.6	7	2.8	145	58.5	21	8.5	<b>258</b>
The organization analyzes systematically key figures for the relevant labor markets (unemployment figures etc.)	3	1.2	27	10.9	26	10.5	167	67.3	25	10.1	<b>2.26</b>
The organizations invest significant resources in instruments/ initiatives intended to enhance the attractiveness of the company in the labor market.	5	2	54	21.8	18	7.3	32	12.9	139	56	<b>2.01</b>
The company is not afraid to get qualified people from the competitors	8	3.2	34	13.7	14	5.6	159	64.1	33	13.3	<b>2.29</b>
The company attaches great importance to assessment centers as a means of personnel selection	5	2	56	22.6	12	4.8	156	62.9	19	7.7	<b>2.48</b>
<b>Average percentage and mean</b>		<b>2.4</b>		<b>19.12</b>		<b>6.2</b>		<b>53.14</b>		<b>19.12</b>	<b>2.324</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

The above table shows a summary of the respondent's awareness on the recruitment process. Under this HR function is the survey about the use of job requirement profiles to find the ideal candidates for each position, on which 67 % of the respondents (SDA=8.5+DA=58.5) disagree, 2.8% were indifferent and 30.2 % (SA=3.6+A=26.6) agreed on this regard. Concerning the analysis of key figures for the relevant market systematically, 77.4 % (SDA=10.1+DA=67.3) of the respondents disagree and 10.5 % were indifferent and 12.1% (SA=1.2+A=10.9) agreed on this regard. The third section on this function has asked respondents whether the organization invest significant resources in initiatives intended to enhance the attractiveness of the company in the labor market. The majority or 68.9 % (SDA=56+12.9) of the respondents disagreed, 7.3 % were

indifferent and 23.8% (SA=2+A=21.8) agreed on this regard. The fourth question was about the companies status in taking qualified people from the competitors, on which 77.4 % (SDA=13.3+DA=64.1) disagreed, 5.6 % were indifferent and 16.9% (SA=3.2+A=13.7) agreed on this regard. The last section on the recruitment process addresses the company's attachment with the assessment centers as a means of personnel selection, on this regard 70.6% (SDA=7.7+DA=62.9) disagreed, 4.8 % were indifferent and 24.6 % (SA=2+A=22.6) agreed on this regard.

Therefore, it can be seen from the survey that the sustainable recruitment variables checked in the company are not yet developed and observations show that the company has been in the industry since 1969 G.C but it takes a significant time to implement the system fully.

**Table 4:4- Responses Regarding Placement Process**

The statement	SA		A		IND		DA		SDA		Means
	F	%	F	%	F	%	F	%	F	%	
First opportunity is given to the internal applicants in any vacant positions	23	9.3	154	62.1	12	4.8	42	16.9	17	6.9	<b>3.5</b>
Reference check is carried out in all recruitments	11	4.4	59	23.8	3	1.2	154	62.1	21	8.5	<b>2.54</b>
At least one person in your organizations is responsible for promoting and preserving the health of employees at work.	10	4	185	74.6	13	5.2	18	7.3	22	8.9	<b>3.58</b>
Frequently, the organizations take health management measures in the workplace	10	4	177	71.4	19	7.7	19	7.7	23	9.3	<b>3.53</b>
The organization recognize older employees' potential and give them priority	7	2.8	22	8.9	22	8.9	159	64.1	38	15.3	<b>2.2</b>
There is a trend to assign old employees in work projects or temporary assignments as a manner of consulting before retirement			18	7.3	27	10.9	174	70.2	29	11.7	<b>2.14</b>
Older partners do coaching and mentoring to young people in their organization before retirement	7	2.8	50	20.2	40	16.1	133	53.6	18	7.3	<b>2.58</b>
<b>Average percentage and mean</b>		<b>4.55</b>		<b>38.33</b>		<b>7.83</b>		<b>40.27</b>		<b>9.7</b>	<b>2.87</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

On the above table, responses collected regarding the placement HR function of the company selected were displayed. Under this section is giving first opportunity to internal candidates in any vacant position, on which 23.8% (SDA=6.9+DA=16.9) disagreed, 4.8% were indifferent and 71.4% (SA=9.3+A=62.1) agreed on this regard. Regarding the reference check on all recruitments 28.2% (SDA=8.5+ DA=62.1) disagreed, 1.2% were indifferent, and 28.2% (4.4+23.8) agreed on this regard. The third question on this section was on the existence of at least one person in the organization in promoting and preserving the health of employees at work, on which 16.2% (SDA=8.9+DA=7.3) disagreed, 5.2% were indifferent and 78.6% (SA=4+A=74.6) which accounts the majority of the respondents agreed on this regard. Concerning the priority and recognition to the older team members the respondents 79.4% (15.3+64.1) disagreed, 8.9% of the respondents were indifferent and 11.7% (SA=8.9+A=2.8) agreed on this regard.

Therefore, it can be seen that the placement process of the company is a little more sustainable than the recruitment process (especially in recognizing internal candidates and health measurement issues) but few of the sustainable HRM practices regarding the placement process are not yet implemented as per the employees expectations.

**Table 4.5:- Responses Regarding Work Life Balance**

The statement	SA		A		IND		DA		SDA		Means
	F	%	F	%	F	%	F	%	F	%	
Flexible work hours schedule	11	4.4	57	23	34	13.7	123	49.6	23	9.3	<b>2.64</b>
Job sharing (two or more persons sharing the tasks of one position).	7	2.8	60	24.2	35	14.1	124	50	22	8.9	<b>2.62</b>
Sabbaticals	2	0.8	26	10.5	4	1.6	188	75.8	28	11.3	<b>2.14</b>
Annual work quota (fixed number of hours to be worked per annum).	7	2.8	149	60.1	24	9.7	16	6.5	52	21	<b>3.17</b>
Gradual retirement combined with the introduction of a younger employee	3	1.2	55	22.2	26	10.5	139	56	25	10.1	<b>2.29</b>
Shortening of working life (early retirement)	3	1.2	55	22.2	26	10.5	139	56	25	10.1	<b>2.48</b>
Extension of working life (employment may be continued after official retiring age).	2	0.8	22	8.9	25	10.1	141	56.9	58	23.4	<b>2.07</b>
Long-term accounts or lifetime work models (surplus working time may be accumulated and used up over several periods of years).	5	2	58	23.4	25	10.1	142	57.3	18	7.3	<b>2.56</b>
<b>Average percentage and means</b>		<b>2</b>		<b>24.3</b>		<b>10.03</b>		<b>51</b>		<b>12.67</b>	<b>2.5</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

The above table shows respondents response on assessing the work –life balance policies carried out in Hilton Addis Ababa. Averaging components on this section gives us that 63.67 % (SDA=12.67+51) disagree, 10.03% were indifferent and 26.3 % (SA=2+A=24.3) agreed on this regard.

Therefore, it can be seen that the work life balance sustainable HRM practice is not yet fully implemented except the Annual fixed number of hours worked by each employee.

**Table 4. 6:- Responses Regarding Development process**

The statement	SA		A		IND		DA		SDA		Mean
	F	%	F	%	F	%	F	%	F	%	
The organization encourages employees to develop a sense of responsibility (e.g. by providing them with course budgets that they can administer themselves).	4	1.6	27	10.9	19	7.7	57	23.0	141	56.9	<b>1.77</b>
The organization believes that workers should participate in most of the company decisions	3	1.2	52	21.0	21	8.5	142	57.3	30	12.1	<b>2.42</b>
<b>Average percentage and mean</b>		<b>1.4</b>		<b>15.95</b>		<b>8.1</b>		<b>40.15</b>		<b>34.5</b>	<b>2.095</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

The above table shows the respondents response regarding the development process of employees that the company is carrying out. Averaging this section showed that 74.65% (SDA=34.5+DA=40.15) disagree on the organization encouragement of employees to develop sense of responsibility and the belief of participation in company decisions, 8.1 % were indifferent and 17.35 % (SA=1.4+A=15.95) agreed on this regard.

Therefore, it can be seen that developing of employees should be highly emphasized by the management of the company. However, observations show that only few employees are ready in terms of educational qualification to use the opportunity that the company has arranged both internal and internationally.

**Table 4.7:- The Responses Regarding the Internal marketing process**

The statement	SA		A		IND		DA		SDA		Mean
	F	%	F	%	F	%	F	%	F	%	
Frequently, there exists development of a value proposition working in attraction and in the image of the company/for employees.	3	1.2	37	14.9	30	12.1	155	62.5	23	9.3	<b>2.36</b>
Frequently, there exists implementation of cooperation projects with associations and educational institutions.	4	1.6	36	14.5	33	13.3	150	60.5	25	10.1	<b>2.37</b>
<b>Average percentage and mean</b>		<b>1.4</b>		<b>14.7</b>		<b>12.7</b>		<b>61.5</b>		<b>9.7</b>	<b>2.36</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

The above table shows a response on internal marketing process that the company is carrying out. Averaging the components in this section gives us that 71.2% (SDA=9.7+DA=61.5) disagree on the value proposition work in attracting the market for employees and the implementation of cooperation projects with associations and educational institutions, 12.7% were indifferent and 16.1 % (SDA=1.4+DA=14.7) agreed on this regard.

Therefore, it can be seen that the majority of respondents believe that the company has a weak stand in developing of its value for employees and in cooperation with associations and educational institutions. However, observations show that the hotel is practicing corporate societal activities through it's HR department by engaging employees in collaboration with the management.

**Table 4.8:- Responses Regarding Retaining of staff**

The statement	SA		A		IND		DA		SDA		Mean
	F	%	F	%	F	%	F	%	F	%	X
The incentive program is consistent with the objectives of the organization.	1	0.4	1	0.4	24	9.7	72	29	150	60.5	<b>1.51</b>
The organization offers its employees attractive non-material incentives such as bonuses and benefits.	6	2.4	54	21.8	21	8.5	31	12.5	136	54.8	<b>2.04</b>
Employees receive attractive intangible incentives in their organization	5	2	21	8.5	22	8.9	58	23.4	142	57.3	<b>1.75</b>
<b>Average percentage and mean</b>		<b>1.6</b>		<b>10.23</b>		<b>9.03</b>		<b>21.63</b>		<b>57.53</b>	<b>1.76</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

The above table shows a summary on the retention practices of the company. Regarding the incentive program alignment with objectives of the organization 89.5% (SDA=60.5+DA=29) disagree, 9.7% were indifferent and only 0.8 % (SA=0.4+A=0.4) agree on this regard. The second question on this section was the offer of attractive non-material incentives such as bonuses and benefits by the organization, on which 67.3% (SDA=54.8+DA=12.5) disagree, 8.5 % were indifferent and 27.8 % of the respondents (SA=6+A=21.8) disagreed on this regard. The third question on this regard was about the attractiveness of the intangible incentives in the organization 80.7% (SDA=57.3+DA =23.4) disagreed, 8.9 % were indifferent and 10.5% (SA=2+A=8.5) disagreed.

Therefore based on the survey and observations seen the company is weak in proactively retaining employees. However, regarding the incentive program the company has a quarterly incentive plan on which departmental employees agree on the realistic objectives and decide to perform. Then actual performance, which will have a reduction in cost or an increment on profitability, will be compared with the agreed target incentive plan and an incentive will be given accordingly.

**Table 4.9:- Responses Regarding Separation of employees**

The statement	SA		A		IND		DA		SDA		Mean
	F	%	F	%	F	%	F	%	F	%	
Frequent use of exit interviews	6	2.4	29	11.7	35	14.1	152	61.3	26	10.5	<b>2.34</b>
The organization is concerned that professional assistance is received during the separation of employees	4	1.6	28	11.3	11	4.4	180	72.6	25	10.1	<b>2.22</b>
<b>Average percentage and mean</b>		<b>2</b>		<b>11.5</b>		<b>9.25</b>		<b>66.95</b>		<b>10.3</b>	<b>2.28</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

The above table shows a summary of responses assessed regarding the separation of employees. One of the questions was on the frequent use of exit interviews on which 71.8% (SDA=10.5+DA=61.3) of the respondents disagreed, 14.1% were indifferent and 14.1% (SA=11.7+A=2.4) agreed on this regard. The concern of professional assistant during the separation of employees is 82.7% (SDA=10.1+DA=72.6) of respondents disagreed, 4.4% were indifferent and 12.9 % (SA=1.6+A=11.3) agreed on this regard.

Besides to the survey result, the student researcher has investigated the trend of the exit interviews currently on which the company has set mandatory. Based on the survey from the exit interviews the company's HR department is planning to review it's strategies and working practice so that the existing and future employees will benefit.

**Table 4.10:- Responses Regarding SHRM-Performance link**

The statement	SA		A		IND		DA		SDA		Mean
	F	%	F	%	F	%	F	%	F	%	
Highly talented candidates are tested to impact on organizational performance	4	1.6	32	12.9	21	8.5	163	65.7	28	11.3	<b>2.28</b>
Right person at the right time at the right place' is exercised	3	1.2	26	10.5	20	8.1	133	53.6	66	26.6	<b>2.06</b>
The organization has applied Merit-based and transparent induction system	5	2.0	28	11.3	29	11.7	159	64.1	27	10.9	<b>2.29</b>
Emphasis is given to reduce turnover through training employees and increasing their commitment	3	1.2	28	11.3	17	6.9	159	64.1	41	16.5	<b>2.17</b>
Compensation /reward and incentives/ are in line with the employee expectation	0	0.0	18	7.3	23	9.3	34	13.7	173	69.8	<b>1.54</b>
Performance development review is implemented and worked properly	4	1.6	24	9.7	25	10.1	30	12.1	165	66.5	<b>1.68</b>
There is a proper direction and organization support to all employees	4	1.6	53	21.4	21	8.5	27	10.9	143	57.7	<b>1.98</b>
There is an involvement and emotional attachment to the organization /commitment	2	0.8	24	9.7	53	21.4	26	10.5	143	57.7	<b>1.85</b>
<b>Average percentage and mean</b>		<b>1.25</b>		<b>11.76</b>		<b>10.56</b>		<b>36.84</b>		<b>39.63</b>	<b>1.98</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

Table 4.10 Shows responses regarding the Sustainable Human resource and organizational performance link. This section can be the main target of this paper to asses. The first question was on the company's work of testing highly talented individuals to impact on organizational performance on which 77 % (SDA=11.3+DA=65.7) disagreed, 8.5 % were indifferent and 14.5% (SA=1.6+A=12.9) agreed on this regard. Right person at the right time and place was the second assessed question on this section 80.2% (SDA=26.6+DA=53.6) disagreed, 8.1% were indifferent and 14.5% (SA=1.6+A=12.9) agreed on this regard. Concerning organization application of Merit-based and transparent induction system 75% of the respondents (SDA=10.9+DA=64.1) disagreed, 11.7 % were indifferent and 13.3 % (SA=2+A=11.3) agreed on this regard. Emphasis on reducing turnover through training employees and increasing their commitment was assessed on this section on which 80.6 % or the majority of the

respondents (SDA=16.5 % + SA=64.1%) disagreed, 6.9 % were indifferent and 12.5 % (SA=1.2 + A=11.3) agreed on this regard. Regarding the compensation question whether it is in line with the employee expectations 83.5% of the respondents (SDA=69.8 + DA=13.7) disagreed, 9.3 % were indifferent, 7.3 % agreed on this regard. Concerning the proper usage of the Performance development review 78.6% (SDA=66.5 + DA=12.1) of the respondents disagreed, 10.1 % were indifferent and 11.3 % (SA=1.6 + A=9.7) agreed on this regard. Question regarding proper direction and organizational support to all employees was 68.6% (SDA=57.7 + DA=10.9) disagreed, 8.5 % were indifferent and 23% (SA=1.6 + A=21.4) of the respondents disagreed on this regard. Regarding the existence of involvement and emotional attachment 68.2% (SDA=57.7 + DA=10.5) disagreed, 21.4 % were indifferent and 10.5% (SA=0.8 + A=9.7) disagreed on this regard. Generally, 76.47 % of the respondents disagreed on this section.

Therefore, it can be seen that the SUHRM on organizational performance of the selected company is yet at its development stage. The management comment that it will take some time to fully implement the system, but changes are now coming specially regarding the talent management to impact on organizational performance.

**Table 4.11:- Responses Regarding Human Resource Management and Leadership**

The statement	SA		A		IND		DA		SDA		Mean
	F	%	F	%	F	%	F	%	F	%	
Participative management style is being adapted	2	0.8	57	23.0	22	8.9	21	8.5	146	58.9	<b>1.98</b>
34. Frequently, the achievement of the staff is being assessed through one to one discussions	7	2.8	63	25.4	19	7.7	10	4.0	149	60.1	<b>2.07</b>
<b>Average percentage and mean</b>		<b>1.8</b>		<b>24.2</b>		<b>8.3</b>		<b>6.25</b>		<b>59.5</b>	<b>2.03</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

The above table summarizes about the Human resource management and leadership practices in the company. The adaption of participative management style is 67.4 % (SDA=58.9+DA=8.5) disagreed, 8.9 % of the respondents were indifferent and 23.8% (SA=0.8+A=23) agreed on this regard. The existence of frequent one to one discussion with employees was assessed on this section and 64.1 % (SDA=60.1+DA=4) disagreed, 7.7 % were indifferent and 28.2 % (SA=2.8%+A=25.4) of the respondents agreed on this regard. Generally, the Majority of the respondents, which account 65.75 %, disagreed on this section.

Therefore, basing the respondents reply regarding the leadership style and one to one discussion, participative style and close communication between employees and heads is not yet customized. Human resource and the executive management have been working strategically towards the mutual benefit of both employees and the company.

**Table 4:12 Overall Level of Sustainable HRM Points AtHilton Addis Ababa**

<b>Overall SUHRM</b>	<b>% of points</b>
<b>SDA = 2521</b>	<b>25.14</b>
<b>DA = 4261</b>	<b>42.5</b>
<b>ID = 894</b>	<b>8.92</b>
<b>A = 2127</b>	<b>21.21</b>
<b>SA = 224</b>	<b>2.23</b>
<b>Total = 10,027</b>	<b>100</b>

Strongly agree (SA) =5, agree (A) =4, indifferent (ID) =3, disagree (DA) =2, strongly disagree (SDA) =1

Table 4:12 shows the total point of overall responses gathered from the 248 respondents on this survey. It can be seen from the table, that the 248 representative team members give 10,027 tick marks for the survey and only 23.44 % (A=21.21+SA=2.23) of the different sections of the survey on Sustainable HRM practices were agreed. Out of the assessed practices 8.92 %, points were either not well communicated to the team or the team ignores to notice their existence. The rest of the practices were 67.64 % (SDA=25.14+DA=42.5) disagreed by the respondents and needs the attention of the company

The student researcher then investigates the company progress since the start of the emergent sustainable HRM and has found that the HRD is able to impact the productivity, profitability and customer satisfaction of the company taken as the organizational performance factors. The below are the figures and table that show the investigation. (see appendix B)

Observations and few chats with the concerned bodies in Hilton Addis Ababa Hotel shows that the major gaps in sustainable HRM and organizational performance link are

the issues of reward and compensation, poor supervisions, inadequate salary and benefits and failure to communicate and aware the system to employees.

#### **4.2 Analysis of The Open-End Questionnaires**

In addition to assessing the Sustainable HRM practices in the Hotel , the student researcher has also collected information through a questionnaire and a simple chat with the General manage, Director of operations and Director of Human Resources regarding the impact it has on the organizational performance. According to them the impact is seen on productivity, profitability and customer satisfaction.

They have forwarded their input to this research regarding the points below, which can be valuable to the dependent variable –organizational performance

- Regarding the Emergent sustainable HRM inside the company, they have commented that it has started some three or four years ago where HR has to step up and evolve to manage the dynamics of the business world, technological advancement as well as the current generation trend. It has started by working on team development and an access to the Hilton Online University -3000 free courses. In line with this, the management believes that ,HR people have to upgrade the skills, change the ways or working methods and environment to be a better business partner/strategic leader, involved in the decision making process, understand the numbers to speak the language of the business
- Data was also collected about how does the organization prove the impact on organizational before and after the implementation of the emergent sustainable HRM To measure the impact, the management explains that the bottom line is increasing such as profitability etc. against the previous time. They mentioned that having the multi-professional employees who can work on multiple tasks also an indicator of managing the workforce strategically. The turnover percentage is also indicator of how HR is impacting the business from the previous times. The leadership index on the Global team member's survey and team development were also cited as a measure to impact organizational performance in this regard.

- Objective and strategies set to impact productivity and profitability were also discussed with this concerned top-level management team. They mentioned that, Bottom up approach is one way to involve the team in the decision-making, empowering them to take action on their own and being accountable for it, gaging the result based on their agreed action plan etc. will have an impact on productivity and profitability. Other objectives and strategies like, turnover ratio, rate of promotion, Operational excellence, talent management yearly Personal development reviews and plans and one to one discussion. The managers said that sometimes it is difficult to change the mind set of everyone in the workforce however slowly things are moving in the right direction for which everyone have to be patient and strive consistently towards the required changes. They pointed out that the organization leaders have to set the tone as leaders and walk the talk to take the team with them in the direction it wants them to proceed. The Blue energy objectives on the 4 directions of the stake holders namely Guest, team, community and the sustainability or /Environmental are being coordinated by the HR.
- Managers were asked whether the employment offer in the organization was the best offer in the industry. They mentioned that, in terms of service it is the best, however the facilities and products are not advanced with the time which has an impact on the business. The service standard is high and continues to excel for which the justification is all newly opened hotels poach their managers/supervisors from that property; clear indication of having professional employees who are being sought after. They have cited a justification like, low turnover ratio, value balance good international development opportunities and independent salary survey. Comparing the international hotels one manager mentioned that the offer can be an average one but if a local hotel is compared it can be best if like positions are compared.
- Lastly, managers were asked about what special Role does the Human resource play if any in sustainable human resource impact of organizational performance. They mentioned that the old perception of HR as admin profession is changed and business leaders understand that HR will play a role in the productivity and profitability of the company. HR is an advisor and counselor who plays very important role of being a bridge between the management and workforce. Engaged employee are productive

and are interested to get involved in innovation, change etc. of the company which will directly affect profitability. One of the managers cites Training and revision of the current salary for key roles as a solution specifically sales positions, Assistant managerial positions and managerial positions. Employees who are not skilled and educated but stayed serving for years have got the company as their 1<sup>st</sup> priority out of the market.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION, AND RECOMMENDATIONS**

#### **5.1 SUMMARY**

This study was conducted to investigate the role of sustainable impact on organizational performance of Hilton Addis Ababa based on the data collected from the survey and documents delivered by the company. The study was mainly conducted through questionnaire data collected from 248 employees of the hotel.

The sample consisted majority of male respondents (n = 146 or 58.9%) than females (n = 102 or 41.1 %). Representative sample of respondents were selected from the 13 different departments of the hotel proportionally. The marital status shows that 44% are married, 54.8 % are single and only 1.2 % of them are divorced.. Regarding the age category below 20 ages were 3.6%, 20-29 were 23%, 30-39 were 58.9%, 40 and above ages were 14.5 % . This shows that the organization has a relatively productive age group, on which the competitors have high conflict of interest. With respect to their level of educational qualification, the majority 45.6% of the respondents were diploma level where as 29 % were certificate level, 17.3 % were degree holders, 1.2% is masters holder and 6.9% have only high school and below. Concerning the work experience 10.9 % of the respondents have less than or equal to 1 years, 31% have 1-5 years, 27.4 % have 6-10 years, 15.7 % have 11-15 years, 14.9 % have more than 15 years of experience. This shows that the hotel has the most qualified pool in the industry on which the company invested a lot.

The descriptive statistics used to assess the existence and extent of the Sustainable HRM and the role does it has on the organizational performance of the company is analyzed.

The total point of overall responses gathered from the 248 respondents on this survey. It can be seen from the table, that the 248 representative team members give 10,027 tick marks for the survey and only 23.44 % (A=21.21+SA=2.23) of the different sections of the survey on Sustainable HRM practices were agreed. Out of the assessed practices 8.92

%, points were either not well communicated to the team or the team ignores to notice their existence. The rest of the practices were 67.64 % (SDA=25.14+DA=42.5) disagreed by the respondents and needs the attention of the company.

The focal purpose that this study tried to achieve is to provide an insight about the role of the sustainable HRM on organizational performance of Hilton Addis Ababa. The different section of the practice namely, the recruitment, placement, the work-life balance, Development Process, internal marketing process, retention, separation are assessed. The different variables in these sections were thoroughly investigated and their degrees of determinations have been identified.

The empirical findings of the study revealed that the existence of the system and the objectives set are agreed by the majority of the respondents but significant percentage of the respondents disagree on the implementation of the overall sustainable HRM practice in Hilton Addis Ababa. Furthermore, the study has drawn the following findings:

- The understanding of the SUHRM is agreed 52.8 % ( SA=3.2+A=49.6) of the respondents and disagreed by 43.95% of (SDA=17.35+DA=26.6) of the respondents, 3.2% of them were indifferent.
- The sustainability of the recruitment process is 21.52 % ( SA=2.4+A=19.2) agreed, 72.26 % ( SDA=19.12+DA=53.14) disagreed, 6.2% of the respondents were indifferent.
- The sustainability of the placement process was agreed by 42.88 % ( SA=4.55+A=38.33) of the respondents and disagreed by 49.97% (SDA=9.7+DA=40.27), 7.83% were indifferent.
- The sustainability of the work life balance was 26.3% (SA=2+A=24.3) agreed, 63.67% (SDA=12.67+DA=51%) disagreed and 10.03% were indifferent
- The sustainability of the development process was 17.35% agreed by the respondents (SA=1.4+A=15.95) agreed by the respondents, 74.65 % ( SDA=34.5+DA=40.15) disagreed and 8.1% were indifferent.
- The sustainability of the internal marketing process is 16.1% (SA=1.4+A=14.7) agreed, 71.2% of the respondents (SDA =9.7+DA=61.5) disagree and 12.7% were in different.

- The sustainability of the retention practice is 11.83% ( $SDA = 1.6+A=10.23$ ) agreed, 79.16% ( $SDA =57.53+DA=21.63$ ) disagree and 9.03% were indifferent.
- The sustainability HRM practice during separation of employees is agreed by 13.5% ( $SA=1.25+A=11.76$ ) of the respondent, 77.25 ( $SDA =39.63+ DA = 36.84$ ) disagree and 9.25% were indifferent.
- Responses regarding the sustainable HRM practices impact on organization performance shows 13.0% agreed, 76.47% disagreed and 10.56% were indifferent.
- Responses regarding the human resource and leadership shows 26% ( $SA = 1.8 + A=24.2$ ) agreed, 65.75% ( $SA = 6.25+A = 59.5$ ) disagree and 8.3% were indifferent.

## 5.2 CONCLUSION

The focal purpose of this insightful exploratory research was to investigate the role of the sustainable HRM on organizational performance of Hilton Addis Ababa. The investigation was made based on the sustainable HRM variables studied by previous researchers.

The empirical findings were taken from the recruitment process, placement process, work life balance, the development process, the internal marketing process, the separation process, the leadership style and the SUHRM-Performance link.

Generally, the study has attempted to draw the following findings from the survey and the observation:

- The relationship between Sustainability and HRM at Hilton Addis Ababa is seen through the existence of the different HR practices, but the system is at it's development stage and not well communicated to the employees.
- Hilton Addis Ababa is representing it's understanding of the SUHRM to the stakeholders by engaging and getting the commitment of employees on corporate societal activities. Few of them are Career and internship agreement with 3 governmental and 1 non-governmental institutions. Working with the Blue energy

team, which is acting on employee satisfaction, Guest satisfaction, community and sustainability works.

- The relationship between SUHRM and organizational performance of Hilton Addis Ababa is found to be weakly related. However there exist an insight that the HR department is impacting performance in Productivity, profitability and Guest satisfaction dimensions.
- The role of HR on organizational performance is found to be being proactive and partner than an administrator. The HR should see the gap between the management and the employees and be strategic partners in affecting the organizational performance.

### **5.3 RECOMMENDATION**

As it was discussed in earlier chapters- based on the Observations, the company holds an experienced and loyal team in the country's hotel industry and the market is looking for to the pool and significantly an educated skilled labor is moving for better opportunity. In addition, the company needs to improve the Ineffective supervision, poor recognition, inadequate basic salary, inadequate fringe benefit, and poor communication level, which should be cascaded to the departmental level. On the other hand, the Performance development review, better learning opportunity the societal responsibility and productivity improvements are going well and promising to contribute to the performance of the organization

Therefore, depending on the empirical findings, the student researcher has forwarded the following specific recommendations for the concerned decision makers of the hotel.

1. The hotel should use its competitive advantage position of learning and career development and establish and facilitate an intensive motivational program for the employees to have and access the online learning program provided by the Hilton worldwide university
2. The hotel should establish a good retention mechanism which include a competitive salary, designing proper career ladder for employees to be promoted when they advance in their academic status or exhibit extraordinary performance
3. The Human Resource department should take a responsibility to communicate and aware the employees of the existence of the sustainable human resource system and the availability of the objectives and practices in the organization

4. The Management in General should communicate the status of the renovation , on which most employees are seen uncertain during the survey. As competitors are taking advantage on this regard it would be better to have a clear view and direction
5. The training and development program should be continually reviewed and evaluated so that it develops employees skills and competencies to impact on the organizational performance

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# Appendices

## Appendix A

Addis Ababa University

School of Commerce

Department of Business Administration and Information science

(Questionnaire for a research entitled ‘the role of sustainable HRM on organizational performance : in the case of Hilton Addis Ababa.

Dear respondent,

My name is **BeniamWorku**. I am a postgraduate student on Master of Arts in Human resource Management at Addis Ababa university school of commerce. As per the requirement of the academy, I am examining **the role of sustainable Human resource management on organizational performance: in the case of Hilton Addis Ababa**.

As the research focus is on the above-mentioned important and emergent HRM system, I kindly invite you to participate in the research by completing the attached survey.

I can assure you that any information that you provide in this questionnaire will be kept confidential and only used for academic purposes. In addition, note that there are no right and wrong answers, if you do not find answers that fit exactly, please mark the one that comes closest.

Your genuine response is highly valuable and supportive for the study and there are no identified risks from participation in the survey. The survey is unnamed/ anonymous. Participation is voluntary. It will take approximately 15-20 minutes of your time to complete filling the questionnaire. Please answer all questions as truthfully and objectively as possible and return the questionnaire promptly to me.

Thank you in advance for your kind cooperation and precious time.

Sincerely,

BeniamWorku

Cell phone: +251911-157572 Email:beniamworku@yahoo.com.

Part I. Please put a tick mark “√” in front of the following items and indicate your choice of those items that have alternative responses

1. Gender 1. Male  2. Female
  
2. Marital status 1. Married  2. Single  3. Divorced
  
3. Age 1. Below 20  2. 20-29  3. 30-39  4. 40 & above
  
4. Education Level
  1. Certificate
  2. Diploma
  3. Degree
  4. Masters
  5. Other
  
5. Experience 1. <=1year  2. 1-5 years  3. 6-10 years  4. 11-15 years   
5. >15years
  
6. Department 
  1. Accounting
  2. Engineering
  3. Food and Beverage
  4. Front desk/Reservation
  5. Executive office
  6. IT
  7. Kitchen and Steward
  8. Housekeeping
  9. Laundry
  10. Sales and Marketing & Management Trainee
  11. Human resource
  12. Recreation/Health club
  13. Security

Part II. Closed end questions

The following statements relate to your understanding and general feedback about the role of sustainable HRM. For each statement, please show the extent to which you believe the exact response you may have, please tick (√) the boxes applicable to you.

**Scales**

Questionnaires	Strongly agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. There is an understanding of the concept of sustainable HRM organizationally					
2. Equal opportunity is set for women and men					
<b>-Recruitment process</b>					
3. Job requirement profiles are used to find ideal candidates for each position					
4. The organization analyzes systematically key figures for the relevant labor markets (unemployment figures etc.)					
5. The organizations invest significant resources in instruments/ initiatives intended to enhance the attractiveness of the company in the labor market.					
6. The company is not afraid to get qualified people from the competitors					
7. The company attaches great importance to assessment centers as a means of personnel selection					
<b>Placement process</b>					
8. First opportunity is given to the internal applicants in any vacant positions					
9. Reference check is carried out in all recruitments					
10. At least one person in your organizations is responsible for promoting and preserving the health of employees at work.					
11. Frequently, the organizations take health management measures in the workplace					
12. The organization recognize older employees' potential and give them priority					
13. There is a trend to assign old employees in work projects or temporary assignments as a manner					

of consulting before retirement					
14. Older partners do coaching and mentoring to young people in their organization before retirement					
<b>Work life balance</b>					
15. There is the use of different working-time schemes:					
a. Flexible work hours schedule					
b. Job sharing (two or more persons sharing the tasks of one position).					
c. Sabbaticals					
d. Annual work quota (fixed number of hours to be worked per annum).					
e. Gradual retirement combined with the introduction of a younger employee					
f. Shortening of working life (early retirement)					
g. Extension of working life (employment may be continued after official retiring age).					
h. Long-term accounts or lifetime work models (surplus working time may be accumulated and used up over several periods of years).					
<b>Development process</b>					
16. The organization encourages employees to develop a sense of responsibility (e.g. by providing them with course budgets that they can administer themselves).					
17. The organization believes that workers should participate in most of the company decisions					
<b>Internal marketing process</b>					
18. Frequently, there exists development of a value proposition working in attraction and in the image of the company/for employees.					
19. Frequently, there exists implementation of cooperation projects with associations and educational institutions.					
<b>Retention of staff</b>					
20. The incentive program is consistent with the objectives of the organization.					

21. The organization offers its employees attractive non-material incentives such as bonuses and benefits.					
22. Employees receive attractive intangible incentives in their organization					
<b>Separation of employees</b>					
23. Frequent use of exit interviews					
24. The organization is concerned that professional assistance is received during the separation of employees					
<b>SHRM-Performance</b>					
25. Highly talented candidates are tested to impact on organizational performance					
26. 'Right person at the right time at the right place' is exercised					
27. The organization has applied Merit-based and transparent induction system					
28. Emphasis is given to reduce turnover through training employees and increasing their commitment					
29. Compensation /reward and incentives/ are in line with the employee expectation					
30. Performance development review is implemented and worked properly					
31. There is a proper direction and organization support to all employees					
32. There is an involvement and emotional attachment to the organization /commitment					
<b>Human resource management and leadership</b>					
33. Participative management style is being adapted					
34. Frequently, the achievement of the staff is being assessed through one to one discussions					

### **Part III Open end questions to the General Manager, Operations Manager, HR Manager**

1. Do you feel the existence of the emergent sustainable HRM inside the company? If so when does it started and in what dimensions are you working to implement it?
2. How do you compare the period without SHRM and with it. Is there any evidence that shows its impact on performance of the organization? How are you measuring the impact?
3. What objectives and strategies do you set organizationally to implement Sustainable HRM to impact on productivity and profit?
4. Do you believe your company is offering the best offer in the industry/Particularly out of Addis Ababa Star Hotels? Can you justify?
5. What special role do you think can the Human resource department can play in the sustainable HRM impact on organizational performance?

## Appendix B: Findings in Figures and Tables

### a. Hilton World Wide template of the HR and its Impact on Organizational Performance

HR practice area	How it impacts
Managing knowledge and intellectual capital	Focusing both on organizational and individual learning and providing learning opportunities and opportunities to share knowledge in a systematic way. Ensuring vital stocks of knowledge are retained and improving the flow of knowledge, information and learning within the organization.
Increasing engagement	Encouraging people to identify themselves with and act upon the core values of the organization and willingly contribute to the achievement of organizational goals. Developing a climate of cooperation and trust; clarifying the psychological contract.
High performance management	Developing a performance culture that encourages high performance in such areas as productivity, quality, levels of customer service, growth, profits and, ultimately, the delivery of increased shareholder value. Empowering employees to exhibit the discretionary behaviours most closely associated with higher business performance such as risk taking, innovation and knowledge sharing, and establishing trust between managers and subordinates.
Reward management	Developing motivation, commitment and job engagement by valuing people in accordance with their contribution.
Employee relations	Creating a climate of trust and cooperation.

**b. Productivity impact of Hilton Addis Ababa HR**

Years	2010	2011	2012	2013	2014	Departmental Average of 5 years and 2015	2015
Q1	0	1510	1945	343	1514		2254
Q1 Expense	335995.03	432406.05	757991.62	518038.3	533899.2		605834.6
Total Expense	1874401.46	2279915.64	2890736.17	2481708	2954573		
<b>Departmental sick leave days</b>							
Business Centre	47	143	77	113	106	97.2	
FO &Reserv.	169	559	343	406	489	393.2	
F&B	940	1807	1496	1257	1586	1417.2	
Engineering	114	223	281	325	200	228.6	
Sales &M	30	41	31	62	16	36	
Security	54	20	7	70	124	55	
STEWADING	109	291	364	354	485	320.6	
Main,P,Gaz.Kitchen	416	1083	1023	663	1215	880	
Laundry	130	306	387	350	346	303.8	
Health Club	53	171	202	94	153	134.6	
H/K	504	1645	1454	956	1523	1216.4	
Finance &Purch.	171	301	277	245	436	286	
HR	16	40	78	17	17	33.6	
Executive Office	4	4	2	9	2	4.2	
TOTAL sick leave days	<b>2757</b>	<b>6634</b>	<b>6022</b>	<b>4921</b>	<b>6698</b>	5406.4	
Total No. of Employees December	629	603	585	603	656	615.2	

Average Working days	5 years	74880
Average sick leave days	5 years	5406.4
	Productive	93%

<b>Turnover %</b>	2010	2011	2012	2013	2014
	5.43%	6.36	7.27	5.29	7.13
	629	603	585	603	656

**c. Financial Performance**

In  
'000K

	<b>2012</b>		<b>2013</b>		<b>2014</b>		<b>Q1-2015</b>		<b>Q1-2014</b>	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Total Revenue	492882		506011		522132	535442	141153	138759	137641	
GOP	320783		318577		328465	336845	88591	86287	88045	
Occupancy	61.51		57.62%		63.54	61.1	56.82	61.81	61.4	

**d. Satisfaction and Loyalty Test**

**SALT SCORES**



	YTD December 2012	YTD December 2013
Property Loyalty (%9 -10)	24.3	20.3
Overall Service	35.2	34.6
Helpfulness of Hotel Staff	45.4	46.3