Intellectual Capital And Guest Delight Among Selected Hotels In Uganda

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Abstract

Based on online reviews on hotels in Uganda, the trend in which guests were not being delighted by the services being offered in the hotels was calling. Evidence indicates that this could be due to lack of strong intellectual capital premises in place. Therefore the study examined the relationship intellectual capital and guest delight among selected hotels in Uganda. A cross sectional research design was used, data was collected using a 5 point closed end questionnaire and a sample of 38 hotels was selected using simple random technique. The study findings revealed that a positive significant relationship existed between intellectual capital dimensions and guest delight. Findings also revealed that intellectual capital dimensions that consisted of human, relational and structural capital contributed only 43% of guest delight in the Hotels. Human capital was the most key element of intellectual capital that contributed towards guest delight, followed by relational capital and the least was structural capital. The managerial implications is that hotel management should focus on developing employees and creating long time relationships with clients in a bid to achieve guest delight.

Keywords; Intellectual capital, Human capital, Relational capital, Structural capital, Guest delight.

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Introduction

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

memorable experience (Leading Hotels of the World, 2010); this requires meeting and exceeding the guest expectations; it calls for guest delight. According to Berman (2005, 2009), delight is a feeling of great pleasure or joy and it results to an emotionally positive and memorable experience. A further distinction between customer satisfaction and customer delight has been made in which delight is defined as a positive emotional response to a surprising product attribute or service encounter (Berman, 2005). It is more positively correlated with customer loyalty, positive word of mouth and repeat purchase. The pursuit for guest satisfaction and ultimately guest delight requires creating competitive advantages. Stiles and Kulvisaechana (2004) as cited in Kamukama, Ahiauzu & Ntayi (2011) recognizes that the answer to competitive challenges lies in investments and management of assets that are valuable, rare and hard to imitate; such resources are unique and specific to a firm (Porter, 1999) as cited by Kamukama et al., (2011). Hitt et al., (2001) argues that intellectual capital resources are more likely to create that competitive advantage, which results to a more superior performance as cited in Kamukama et al., (2011). Marti (2007) recognizes that intellectual capital is a key determinant of the process of value creation.

Stewart (1997) defines intellectual capital as the intellectual material that has been formalized, captured, and leveraged to create wealth by producing a higher-valued asset. Bontis as cited by Engstom, Westnes & Westness, (2003) states that Intellectual Capital is comprised of human capital, structural capital and relational capital. TripAdvisor.com is the world's largest travel site which attracts more than 65 million unique monthly visitors across 19 popular travel brands (comscore mediametrix, worldwide August 2011). The site operates in over 30 countries and generated revenues amounting to $ 486M in 2010 (NASDAQ:EXPE). The site has over 520,000 member hotels, who subscribe to the site with the intention of growing their revenues through positive client referrals (Trip Advisor August, 2011). The site receives candid reviews from guests of the member hotels. As at 31st August, 2011, 42 hotels in Kampala were members of tripadvisor.com. According to client reviews, 65% of the clients would not recommend the hotels to potential clients via positive word of mouth, while a further 36% of the clients would not stay with the hotels again. According to Kline et al. (2006), a delighted customer will generate positive business results such as positive word of mouth, loyalty and increased profitability.

From the guest reviews, it is evident that the guests are not delighted; the major reasons why clients did not enjoy the service encounter were delay in service delivery, not attending to guest requests, poor house - keeping practices, lack of guest acknowledgement and management inefficiency to act on customer complaints. It is suspected that lack of soft skills by service staff, inappropriate work methods and low levels of networks within the service industry; which all encompass intellectual capital have created barriers in achieving guest delight. The present study therefore addresses the question of how intellectual capital dimensions in terms of human capital, relational capital and structural capital can relate to guest delight among Hotels in Uganda. In doing so, the study draws upon the works of previous scholars like the Bontus (2006), kamukama et al (2011), Hassan et al (2011) who proposed useful framework of factors in the study. The remainder of the paper is organized as follows. The next section presents the proposed model of the major theoretical constructs of this study: Intellectual capital dimensions; human capital, relational capital, structural capital and Guest delight; Section 3 describes the methodology of the empirical study of Hotels in Uganda. The results of the empirical study are discussed in section 4. The study concludes with a summary of the major theoretical and managerial implications, together with a discussion of the limitations of the study and suggestions for future research.

Conceptual Model

The essence of the research framework for this study is that successful guest delight among hotels requires strong intellectual capital premises in terms human capital, relational capital and structural capital as conceptually, as shown in Figure 1. However according to Torres and Kline (2006) employees who delight are likely to exhibit different personality characteristics than those who merely satisfy. Employees with well-developed soft skills are able to handle guests more professionally both in terms of handling complaints and also anticipating guest's needs. Good attitude and self-confidence further during the service encounter contributes to making the encounter delightful.

Concept of Intellectual Capital

In general many scholars have acknowledged the continued difference between a company's book value and the company's market value, which they have referred to as intellectual capital (Pablos, 2003; Schiuma and Lerro, 2008) as cited by Phuvsat and Comepa (2011). Caddy (2000) and Powell (2001) as cited by

Marti (2007) both point out the existence of intellectual liabilities or competitive disadvantages, which have a negative effect on the company's process of value creation. They thus argue that intellectual capital should be the difference between the competitive advantages and the competitive disadvantages. The general consensus among most scholars is that intellectual capital consists of human capital, structural capital and relational capital (Bontis, Chong & Richardson, 2006).

Human Capital and Guest Delight

Human capital presents the individual stock of knowledge embedded in a firm's collective ability to extract the best solutions from its individual employees (Bontis et al., 2006). Phusavat and Comepa (2011) summarize by stating that human capital represents the collective capabilities of a company's workforce to solve customer and operational problems (e.g. quality, productivity, technical). Bontis (1999) as cited by Chen, Cheng & Hwang (2005) states that unlike structural and relationship capital that belongs to firm, a distinctive feature of human capital is that it may disappear as employees exit.

According Lin and Liang (2011), several academics (Matilla and Enz; 2002, Oliver; 1997, Richins;1997, Isen;1997 and Shalker, Westbrook;1991 and Oliver, Forgas;1995, Barger and Grandaley;2006 & Gorn et

al;1993.,) recognize the role of customer emotions on service appraisal; a positive emotion will lead to a positive reaction and less critical thinking when making judgments, this increases service performance appraisals such as satisfaction. Pugh as cited by Ling and Liang (2011) found that when service employees smile, increase eye contact, display gratitude, and extend greetings, customers experience more positive emotion. Barger and Grandey as cited by Ling and Liang (2011) explains that positive emotional displays by employees will impact positively on the customers and thus enhancing the service encounter. Scheider and Bowen (1995, 1999) further suggest that when the human resource managers satisfy their employee needs, the efforts will transfer from the employees to customers. Torres and Kline (2006) point out that by having proper policies and well trained employee, one can convert mistakes to opportunity and delight. Policies and training are core elements of structural and human capital respectively. Verma (2003) identified delighters to include employee politeness, respect, friendliness consideration, taking personal interest in the customers' problems and needs and solving them and going beyond the call of duty. Ascente (2010) brings out the paradox of many work places that are structured to suppress innovation, creativity

and initiative; this is in contrast with the predominant theme that capitalizing on the talents of knowledge workers entails creating a culture built on trust, respect and empowerment that encourages and supports professional autonomy, innovation, creativity self -direction, intrinsic motivation, knowledge sharing and teamwork. Reichheld as cited by Navvarro (2002) however asserts that unless human capital is translated to organizational capital, then the organization will never benefit from it as employees harvest the benefits themselves. Therefore the proposed hypothesis is as follows; *H1; There is a positive relationship between human capital and guest delight.*

Relational Capital and Guest Delight

Bontis (2001) defines relational capital as that which captures the relationships with third parties, be they customers or suppliers. The scholars Karagianis et al., 2009; Roos and Roos, (1998) and Edvinsson, (1997) as cited by Leger (2010) refer to relational capital as that part of a company's market value that is attributable to its portfolios of business relationships. Day as cited by Navarro (2002) acknowledges importance of customers to a firm because they have a direct impact on the firm's performance and on the long term survival of the firm. Buenos (1998) however argues that the most important agents that a

firm has relationships with are stake holders as they have a vested interest in the decisions faced by an organization. He furthers his argument by stating that at an individual learning level, stakeholders who are in touch with employees, suppliers, clients and other stakeholders of different firms will have an information exchange, which upon proper utilization leads to creation of new knowledge.Verde, Lopez, Gonzalez & Salvado sum relational capital as the set of knowledge obtained by a firm from its relations with agents of its environment and provides the firm with a knowledge base to carry out its operations more efficiently. Leger (2011) acknowledges that firms have become increasingly dependent on the web of business partners to deliver customer value; such dependencies give rise to relationship capital and a firm needs to commit resources in terms of time and money to develop and maintain these relationships (Leger, 2011). Inkepen et al., (1997); Parkhe, (1993) as cited by Vidot (2006) explain a dark side of relational capital where one firm may not abide by the terms of the agreement in order to exploit the other for short term gains. They refer to this as opportunism which is characterized by calculated efforts to mislead or confuse the other party. Therefore the proposed hypothesis is as follows; *H2; There is a positive*

relationship between relational capital and guest delight.

Structural Capital and Guest Delight

Ordenez de Pablos (2004) refers to structural capital as that knowledge that has been organization in form of the organization processes, structures, technologies, policies and culture and is as a result of learning at the organization level. The author further appreciates that the biggest challenge for the firm is how to transfer this knowledge from the individual to the firm. Marti (2007) defines structural capital as the company's formal and informal organization structure, work methods and procedures, softwares, management systems and culture. He further explains that such assets are owned by the company and some can be legally protected. Roos et al., (1997) as cited by Zangouseinezahad and Moshabaki (2008) describes structural- organizational capital to include all non- human reserves of knowledge in the organizational embracing database, organization charts, and executive instructions of processes, strategies, administration programs and such like items whose significance for the organization is higher than its material value. The authors classify the capital into organization culture, organization learning, operating processes and information systems.

Boisot (2002) as cited by Ordenez de Pablos (2004) defines structural capital as "value added by the nonlinearities of the knowledge creation process that is assumed to reside." Inputs to this process are provided by human capital and the company acting as the residual claimant captures the surplus. Structural capital is further divided into organization and technological capital; where organization capital refers to all aspects that are related to the organization of the company and its decision making process such as organization culture, structural design, coordination mechanisms, and organization routines and planning and control systems. Technological capital on the other hand includes all technical and industrial knowledge like results from research and development. Benevene and Cortini (2010) further the above concept by stating that Structural Capital supports a supportive infrastructure for human resources. This requires an organization culture that is able to create and store knowledge as culture is what provides for the basis of organization's management. Therefore the proposed hypothesis is as follows; *H3; There is a positive relationship between structural capital and guest delight.*

Intellectual Capital and Guest Delight

Parayani (Crick and Spencer, 2010) states that the hospitality industry and hotels in particular

have witnessed increasing competition for high quality service and customer satisfaction. Zeithmal and Bitner (2000) define expectations as beliefs that customers hold about a product or service performance that function as standards or reference points against which performance is judged. Berman (2005) developed a rating for perception to either be outrage, dissatisfaction, satisfaction or delight. The voice group (2008) differentiates satisfaction and delight by specifying much as both have the element of perception, satisfaction occurs when the client expectations are met; delight only occurs when the expectations are exceeded and the client also gets what he desires. Clemmer (1990) and Levitt (1983) as cited in Rust and Oliver (2000) use the concept of concentric rings to explain delight where the inner ring reflect the basic attributes of an offer that are a "must have"; the adjacent ring contain the satisfiers which are provided beyond the basic offer whereas the third and outmost ring contains the "delight" which are the offer attributes that are unexpected but surprisingly enjoyable. Kumal et al as cited by Torres and Kline (2006), Liljander and Strandvik, Stauss and Neuhaus, Oliver et al. & Wong as cited by Ling and Liang (2011) explain that customers experiencing more positive emotions during service encounters will also

be more likely to visit again and spread positive word-of-mouth, building loyalty. Such attributes are associated with delight (Berman, 2005). Rust and Oliver (2000) also explain the staying power of delight in which they explain that for the efforts to create delight to be worthwhile, then the delight should be memorable as opposed to just momental. According to Wayne (2010), despite associating delight with strong positive emotional reaction, the authors Oliver, Rust and Varki (1997) have failed to clearly define the emotion.McNeilly and Barr (2006) argue that creating delight requires effort on the part of product or service provider. A guest whose expectations are met may or may not come back while a guest who has been delighted will not only make a repeat purchase but will also give a positive word of mouth reference. Bloomer et al. as cited by Manoj and Sunil (2011) explain that perceived service quality, perceived value and customer satisfaction have traditionally been associated with customer retention. Berman, Finn, McNeilly and Barr as cited by Crotts and Pan (2008) all agree that customer delight has the most potential to influence future customer behaviour. Rust and Oliver (2000) however point out that some critics object the goal of delighting clients as this raises the expectation bar higher the next time a purchase is made.

McNeilly and Barr, (2006) further the argument against delight by recognising that the costs associated with delight strategy may not be worth the benefits. Ngobo (1999) recognises the existence of delight by defining it as 100% customer satisfaction; he however states that creating delight may not be worth the effort because there are threshold points where the effect of satisfaction on loyalty increases at decreasing rates and the firm thus stops reaping the benefits of customer satisfaction in terms of customer loyalty. Torres and Kline (2006) as cited by Crotts et al., argue that the ability to meet and exceed customers' expectations is a key determinant of guest satisfaction; this in turn has a direct and positive impact of the economic viability of any hospitality organization. Conclusively, it's worthy to note that intellectual capital in the form of human, structural and relational has an impact on customer behavior in different industries. Pugh as cited by Ling and Liang (2011) found that when service employees smile, increase eye contact, display gratitude, and extend greetings, customers experience more positive emotion. Torres and Kline (2006) point out that by having proper policies and well trained employee, one can convert mistakes to opportunity and delight. Edvinsson, (1997) as cited by Leger (2010) refer to relational capital as that part of a company's market value that is attributable to its portfolios of business relationships. Buenos (1998) however argues that the most important agents that a firm has relationships with are stake holders as they have a vested interest in the decisions faced by an organization. Benevene and Cortini (2010) further the above concept by stating that Structural Capital supports a supportive infrastructure for human resources. This requires an organization culture that is able to create and store knowledge as culture is what provides for the basis of organization's management. McNeilly and Barr (2006) argue that creating delight requires effort on the part of product or service provider. A guest whose expectations are met may or may not come back while a guest who has been delighted will not only make a repeat purchase but will also give a positive word of mouth reference. Therefore the proposed hypothesis is as follows; *H4; There is a positive relationship between intellectual capital and guest delight.*

Research Methodology

The study used a cross-sectional research design combined with descriptive and analytical methods. The targeted a population of 42 Kampala member hotels of trip advisor.com as of 31st August 2011 (Trip Advisor.com, 2011) was considered where a sample size of 38 hotels were drawn in line

with Krejcie and Morgan (1970) table guide for sample selection which states that a sample will always be selected as a representative of a given population and simple random sampling was used. However for the units of inquiry, frontline staffs were selected purposively and for guests, convenience sampling was used. A total of 380 respondents were targeted. This is in line with Ntoumanis (2001) and Field (2006) as cited by Kamukama et al (2011) who state that the ratio of participants to independent variables for multiple regressions should be at least 5:1 or 10:1 (i.e. for every one independent variable, 5 or 10 participants should be able to provide an answer. Ngoma (2009) as cited by Kamukama et al (2011) has used adopted and used a minimum of 3 respondents per firm.

Measurements of the Research Variables

Intellectual capital was measured using the dimensions of Human Capital, Relational Capital and Structural Capital as defined by Roo (1998), Sveiby (2001), Pablos (2004), Bontis *et al.,* (2002), Shirley (1997), and Sharma (2005). *Human capital* was measured using the dimensions of employee know who, education, vocational qualifications, work – related knowledge, work – related competence, entrepreneurial spirit, innovations, proactive and reactive abilities, and changeability developed by Sveiby (2001)

and Petty and Guthrie (2004). *Structural capital* was measured using the dimensions of trust among employees, firms' corporate culture, level of knowledge codification, teamwork and quality of information systems as developed by Bontis et al. (2002) and Brooking (1996). *Relational capital* was measured using the dimensions of network levels, customer capital and level of marketing channels as developed by Malone (1997); Rindfleisch and Moorman (2001); Heng-Chiang and Chia-wen (2007). *Guest delight* was measured using eight dimensions of unusual ambience, problem solving gestures, giving undue favour , by passing the system to assist , caring, helpful and willing to help, prompt feedback and giving a VIP feel as defined in the model developed by Hasan, Raheem & Subani (2011).

Reliability and validity tests

Closed questionnaire was developed in harmony with the guidelines specified by Sekaran (2000). First, an item analysis was done to see whether the items in the instrument belong there and a pre – test was carried out to check validity and reliability so as to minimize on vagueness of the results to be generated. Reliability (internal consistency and stability) of the instrument was tested using Cronbach's Alpha Coefficient which should be above 0.7 (70%) (Cronbach, 1951).

The researcher tested inters – item consistency reliability to ensure that there is the consistency of respondents' answers to all items in the measure *(refer to table 1).*

Results and analysis

Factor Analysis Results for Intellectual Capital

The principal component analysis was used to analyze the fifteen (15) dimensions of intellectual capital. This is shown in table 2 below.

Factor analysis in table 2 above found out that human capital (34%) contributed more to intellectual capital followed by, relational capital (21%), and structural capital (16%) respectively. It was established that the fifteen above items constituted 71% of intellectual capital.

Factor Analysis Results for Guest Delight

The principal component analysis was used to analyze the fifteen (14) dimensions of guest delight. This is shown in table 3 below.

Factor analysis in table 3 shows that items under guest delight with a rating of higher than 0.5. A total of 14 items explained 68% of the total increase or decrease in guest delight. It was found out that prioritizing clients' needs (38%) contributed more to guest delight, followed by staff courtesy (17%), and ambience (13%) respectively.

Testing hypothesis

Pearson (r) correlations coefficients were used to test for the relationships between the study variables. This is indicated in table 4 below;

Relationship between Human Capital and Guest Delight

According to table 4 above, there is a significant positive relationship human capital and guest delight ($r = .704**$, $p < 0.01$). The results indicate that with an increment in the quality staff training, a professional selection of employees based on their work experience and competences will result into guests receiving exceptional service and guests being treated like celebrities, and thus achieving the desired outcome of delighting guests. *Therefore H1 is supported.*

Relationship between Structural Capital and Guest Delight

According to table 4 above, there is a significant positive relationship between structural capital and guest delight ($r = .571**$, $p < 0.01$). This indicate that when an increment in the knowledge that that has been institutionalised in form of the organisational processes, structures, technologies, policies (i.e. increased organisational learning) will lead to an increase in the level of guest delight. For instance, when the staff continually shares their knowledge of guests and the same is continuously updated and shared in a central data base, then, the hotels

will be able to continuously delight their guests. *Therefore H2 is supported*.

Relationship between Relational Capital and Guest Delight

According to table 4 above, there is a significant positive relationship between relational capital and guest delight (r = .680**, p<0.01). This means that an increase in relational capital will lead to an increase in guest delight. For instance, if the hotel staff are promptly resolve guest complains, then the guests will feel valued and naturally achieving the desired outcome of delighting guests. *Therefore H3 is supported.*

Relationship between Intellectual Capital and Guest Delight

According to table 4 above, there is a significant positive relationship between intellectual capital and guest delight (r = .625**, p <0.01). Thus, an increase in the hotels level of intellectual capital will lead to higher levels of guest delight. *Therefore H4 is supported.*

Regression Analysis

Multiple regression analysis was used to find out the influence of the independent variable on the dependent variable. The independent variable was intellectual capital, while the dependent variable considered was guest delight. Table 5 below presents the regression model of the variables.

The three dimensions of the independent variable (Intellectual Capital) were noted to predict 42.5% of the increase or decrease in the Guest delight (Adjusted R Square = .425). The regression model was significant at the 99.0% confidence interval level. From the results, Human Capital was found out to be the highest predictor with a Beta of .356, followed by Relational Capital which had a Beta of .330 and finally Structural capital which had a Beta of .214. All the above were at a significance level of 99%. (r<.01).

Discussion and policy implications

According to the study finding, there is a significant positive relationship between human capital and guest delight. This finding is line with Phusavat and Comepa (2011) who asserted that human capital represents the collective capabilities of a company's workforce to solve customer and operational problems (e.g. quality, productivity, technical). Besides, according Lin and Liang (2011), several academics (Matilla and Enz, Oliver, Richins, Isen and Shalker, Westbrook and Oliver, Forgas, Barger and Grandaley & Gorn et al.,) also recognize the role of customer emotions on service appraisal; a positive emotion will lead to a positive reaction and less critical thinking when making judgment, this increases service performance appraisals such as satisfaction.

Pugh as cited by Ling and Liang (2011) found that when service employees smile, increase eye contact, display gratitude, and extend greetings, customers experience more positive emotion. Barger and Grandey as cited by Ling and Liang (2011) explains that positive emotional displays by employees will impact positively on the customers and thus enhancing the service encounter. Scheider and Bowen (1995, 1999) further suggest that when the human resource managers satisfy their employee needs, the efforts will transfer from the employees to customers. Furthermore, Torres and Kline (2006) also point out that by having proper policies and well trained employee, one can convert mistakes to opportunity and delight. Policies and training are core elements of structural and human capital respectively. Verma (2003) identified delighters to include employee politeness, respect, friendliness consideration, taking personal interest in the customers' problems and needs and solving them and going beyond the call of duty.

From the study finding, there is a significant positive relationship between the structural capital and guest delight. This finding is in line with the Boisot (2002) as cited by Ordenez de Pablos (2004) who referred to structural capital as value added by the nonlinearities of the knowledge creation process that is assumed to reside. Inputs to this process are provided by human capital and the company acting as the residual claimant captures the surplus. Structural capital is further divided into organizational and technological capital; where organizational capital refers to all aspects that are related to the organization of the company and its decision making process such as organizational culture, structural design, coordination mechanisms, and organizational routines and planning and control systems. Technological capital on the other hand includes all technical and industrial knowledge like results from research and development. Benevene and Cortini (2010) further the above concept by stating that structural capital supports a supportive infrastructure for human resources. This requires an organizational culture that is able to create and store knowledge as culture is what provides for the basis of organization's management.

According to the study finding, there is a significant positive relationship between relational capital and guest delight. This result is in line with Bontis (2001) defines relational capital as that which captures the relationships with third parties, be they customers or suppliers. The scholars Karagianis et al., 2009; Roos and Roos, 1998 and Edvinsson, 1997 as

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

The finding from the study shows that there is a significant positive relationship between intellectual capital and guest delight. This result confirms findings by Caddy (2000) and Powell (2001) as cited by Marti (2007) both

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

Conclusion

The findings from this research indicate that there is a significant positive relationship between human capital and guest delight.

Human capital represents the collective capabilities of a company's workforce to solve customer and operational problems (e.g. quality, productivity, technical). The findings from the study also indicate that there is a significant positive relationship between structural capital and guest delight. This confirms that structural capital is value added by the nonlinearities of the knowledge creation process that is assumed to reside. The study results also indicate that there is a significant positive relationship between relational capital and guest delight. Increasing a web of business partners to deliver customer value; such dependencies give rise to relationship capital and a firm needs to commit resources in terms of time and money to develop and maintain these relationships. Besides, the finding also indicates that there is a significant positive relationship between intellectual capital and guest delight. The key factor in intellectual capital is being creative and initiative that entails creating a culture built on trust, respect and empowerment that encourages and supports professional autonomy, innovation, creativity self-direction, intrinsic motivation, knowledge sharing and teamwork

Recommendations

According to the study, Human Capital has been found to be the highest contributor to guest delight. Thus, in pursuit of guest delight, hotels should ensure that the right are put in guest areas. Such right people include hiring people with experience and in cases where this is not possible, hotel management should continuously train their staff to equip them with the necessary skills.

From the research, it was found out that good and long lasting relationships with clients contributed towards guest delight. Hotels should thus encourage staff to have formal relationships with guests. Such would be achieved by having staff address guests by the first name, having staff send acknowledgement cards for guest anniversaries and other occasions.

From the research, it was found out that the presence of a supporting infrastructure in form of structural capital in guest areas is key in achieving guest delight. Hotels should thus be able to equip their staff with the necessary resources that they may need in the process of accomplishing their tasks. Such resources could include calculators, captain order bills, pens, computerized bill systems etc.

From the research, it was found out that access to guest data by staff played an important role towards achieving delight. Such data could include guests likes and dislikes, guest favorite meals or drinks, guest preferred rooms , guest previous experiences etc. Hotels

should thus profile their guests and the same shared out to staff who are interact with guests.

According to research findings, guests are delighted once they perceive that their needs are prioritized. Thus, hotels should ensure that mechanisms exist to ensure that guest needs receive utmost priority. Such could include empowering staff to enable them make some level of decisions pertaining to guest services, treating all clients like celebrities etc. For instance, the front line staff should be empowered to make simple decisions on the spot- eg if a client asks for an item that is not on the menu, the waiter should be empowered to accept the order in as so far as the waiter understands that the order can be served.

Limitations to the Study

The research design used was cross-sectional and yet the longitudinal design would the most preferred one.

The accuracy of the research tools and methodology that were used in the study might have not given 100% level of the expected results.

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Fig 1: Conceptual Model

Adopted from Bontis, (2006), Kamukama et al (2011), Hassan et al(2011)
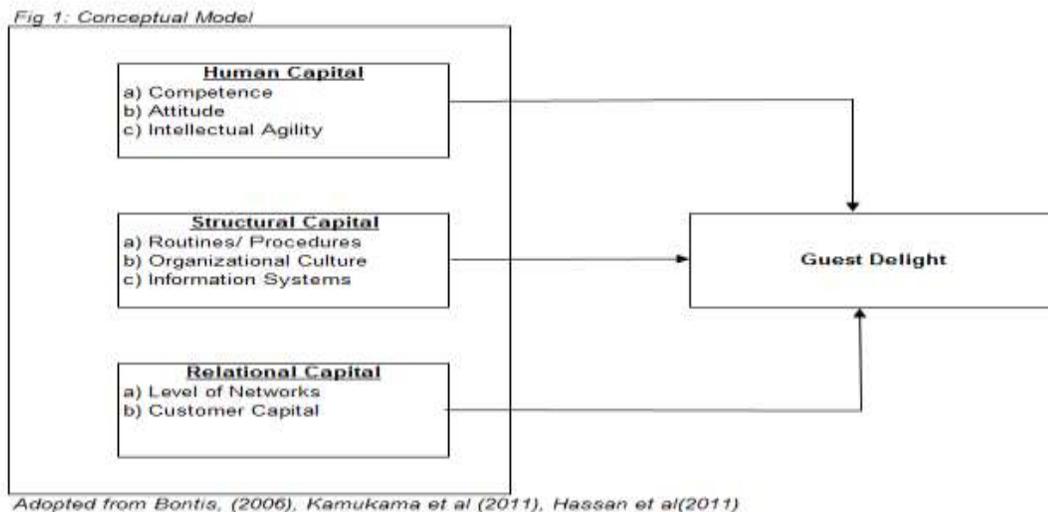
Table 1 Showing Cronbach Alpha and CVI results

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

Table 2   Showing factor analysis results for intellectual capital

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

Source: Primary data

Table 3   Showing factor analysis results for guest delight

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

Table 4   Relationships between the variables

	1	2	3	4	5
Human Capital -1	1.000				
Relational Capital -2	.548**	1.000			
Structural Capital -3	.551**	.436**	1.000		
Intellectual Capital -4	.603**	.377**	.424**	1.000	
Guest Delight -5	.704**	.680**	.571**	.625**	1.000
** Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary data

Table 5 showing the multiple regression model for the study variables

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

Source: Primary data