

Work Environment, Service Quality and Customer Retention in Guesthouses in Uganda; Case of Kampala District

KALULU RONALD^{1*}, KICONCO MICHELLE², KESANDE PROVIA³

1. Faculty of Business and Management, International University of East Africa Plot 1112/1121, Ggaba Road, Kansanga, P.O.Box 35502, Uganda, Kampala.
2. Faculty of Marketing and Hospitality Management, Makerere University Business School. P.O.Box 1337, Uganda, Kampala.
3. Faculty of Marketing and Hospitality Management, Makerere University Business School, P.O.Box 1337, Uganda, Kampala.

* Corresponding author

Abstract

This study sought to examine the relationship between work environment, service quality and customer retention in guesthouses. The study was cross sectional in that both quantitative and qualitative techniques were used. Factor analysis was carried out and five service quality dimensions were derived. Stratified sampling and later simple random sampling were employed so that good results could be got. The observation method was used to complement on the applied study tools. The results revealed that customers' perception of the service quality in Kampala Guesthouses fell short of their expectations hence most of them were dissatisfied. The reasons for the above were failure by guesthouses to empower their staff in terms of quality delivery; unfavorable working environment characterized by long hours of work, low pay, job insecurity unfair treat, employment of untrained staff and relatives and a lot of intimidation by managers yet these are the very people who handle customers and provide the service. The study recommended critical empowerment of staff in terms of quality delivery and improvement of the working environment if they are to deliver quality service to customers. Critical areas should be staff training, remuneration, respect, motivation, renovation and repair of buildings, benchmarking, career development and job security.

Keywords: Service quality, Work environment, Guesthouse, Customers, Tourism and hospitality

1. Background

The tourism industry in Uganda has been growing in the past few years (MTWA, 2014). Several known international hotel chains have established successful accommodation premises in the country as a way of supporting the tourism industry and thus dominate the tourism markets. However, small privately run accommodation providers are preferred by tourists than traditionally recognised hotels. It is upon this that there has been creation of the guesthouse sector to cater for the increasing guest demand in the tourism industry. The guesthouse industry is very critical for the global tourism economy as it represents one of the primary infrastructural elements for tourism development (The Economist, 2013). It is a growing subsector of the tourism industry with overwhelming opportunities to entrepreneurs and employees (Tukamushaba, Musinguzi et al. 2012; Tukamushaba and Xiao 2012). The guesthouse sector is a new phenomenon in Uganda in that it was introduced in the late 90s to cater for the growing tourist demand for cheaper rooms, food and other services.

A guesthouse is of form of an existing home, a renovated home or a building designed to provide guest accommodation and refreshments. The design of a guesthouse is that, it only has a limited number of rooms, offers cheaper services and products and sometimes they are in people's homes. The basis on which guesthouses are rated depends on the level of cleanliness, quality of food, hospitality and service provided (Canwell and Sutherland, 2003).

It is on this background that the government of Uganda through the ministry of tourism, wildlife and antiquities has come up to promote and strengthen the sector through training, funding and legislation yet a substantial number of guesthouse customers are dissatisfied with the services delivered to them. The situation aligns with the recent inspection of hospitality facilities by Uganda Tourism Board, an Agency mandated to promote the tourism sector as well as enforcing and monitoring standards of tourist facilities including hotels and guesthouses in Uganda, which revealed inadequacies in respect to specialization, standards and general customer care in most hospitality firms including guesthouses (Uganda Tourism Board, 2010). It was specifically revealed that most staff lack skills/knowledge of the hospitality industry like receptionists, chefs/cooks, waiting staff and maids which has resulted into has poor services in terms of low grade tangibles such as portion sizes, utensils, beds, room size, furniture as well as unappealing work environment reflected by guesthouse employees i.e. slow service, cheating customers, rude staff, and uncaring employee among others (Katongole, 2013) as one customer

at Makerere guesthouse commented “ *this is the only University guest house, it is right in the university and very accessible; but my problem was with the waiters and waitresses either they are trainees or something but they are just not responsive at all. I had to find out if i had to serve myself and they were not apologetic at all...yet the housekeeping staff asked for my belongings (jacket, electronics) at the end of my stay. This happens frequently and I find it an uncomfortable more often worrying a0bout my things.* Another had this to say “*Makerere University guest house is particularly suitable for first time visitors until you become familiar with the city. The single rooms section consists of very old furniture and poorly maintained beddings* (Tripadvisor, 2012).”

The study revealed working conditions as a root cause for the uncalled for staff behaviours in most guesthouses visited. It was discovered that majority staff are underpaid, mistreated, overworked, no promotion and that there is increased recruitment of family members without hospitality skills, among others (Alderman and Lavy 1996). These and others have not only resulted into limited customer assurance, low reliability, responsiveness and empathy but they have cost guesthouses large sums of money and thus most guesthouses have stagnated (Tukamushaba, Musinguzi et al. 2012) yet customers are calling for the improvement on food and beverages, rooms, ambiance and staff attitude though guesthouses have not responded well (World Bank , 2012). It was also discovered that if guesthouses empowered their employees to strengthen service quality dimensions in their operations, the present gap between guests’ view of quality and management’s view would reduce thus increased guest satisfaction leading to improved customer retention (UNDP , 2010/2011 – 2014/2015; ITC, 2011).

Therefore, the aim of the study was to find out how work environment, service quality impact customer retention in guesthouses so that strategies that can help them retain their customers and remain competitive are devised (Brown, 2010). This is in line with saleh and Ryan’s (1992) studies which depict several guesthouse customers complaining about staff, food, drinks, and room standards thus the need to improve on the service quality of guesthouses just as it is done in Dubai, South Africa, France, USA and Spain among others (Katongole, 2013). The study objectives were (1) to establish the relationship between work environment and service quality; (2) to establish the relationship between service quality and customer retention in Guesthouses; (3) to establish the relationship between work environment and customer retention in guesthouses.

1.1 Context /review of literature

Today’s customer is more exposed, sophisticated, informed about what is good and bad service. It therefore, means guesthouses should provide services that satisfy customers especially if they are to lead to their retention, remain competitive and stand financially positive (Cronin Jr and Taylor 1994). Parasuraman defines service quality as “the difference between customer expectations of service quality and customer perceptions of the service delivered” (Parasuraman, Zeithaml et al. 1985) although Klaus differs when he describes service quality to mean the physical, situational and behavioral aspect. This means that what happens before, during and after the delivery of services to the customer matters a lot (Klaus and Maklan 2007). According to (Sharma, 2011), quality of service is defined as exceeding customer expectations yet Gronroos (1984) defines it as a perceived judgment between the expected and what actually is delivered. Basing on the above scholars, I can say that Service quality is an experience from the previous visit and how well or bad it was, and that this experience influences the repurchase intentions of the customer (Philip and Hazlett 2001; Lewis and McCann 2004). Philip and Hazlett, ranked the various service attributes into classes or pivotal levels; core (tangibility, reliability, responsiveness, assurance and empathy); peripherals (inputs and processes or tangibles) from which service quality dimensions are developed. Therefore, since service quality is an important element in guest retention, guesthouse management should focus on service quality improvement if it is to remain competitive and retain its customers (Bitner and Hubbert 1994).

Sureshchandar et al (2002), revealed that when a guest perceives the service quality to be poor, his or her satisfaction levels will also be poor, if medium, perception will be medium and those who ranked service quality as high, are highly satisfied with the service and are more likely to return. According to various scholars who i agree with, the key determinants for service quality were: staff (including obtainment courtesy), accessibility of services, friendliness, technical facilities and ambiance/environment) yet (Hsieh, Chou et al. 2002) indicated seven factors including, competence, tangibles, communications, sufficiency of staff, waiting time, and price, as major determinants of service quality although Parasuraman summarized them into five dimensions namely; **tangibles, reliability, Responsiveness, assurance, Empathy-** (Parasuraman et al. 1990; Zeithaml). Katongole (2012) and others agree that today’s business is too competitive in that if one organization is not prepared, it may find itself out of business. Therefore, guesthouses in Kampala should empower their employees to strengthen service quality dimensions that satisfy current customers and motivate new ones to come hence reduced customer complaints, high sales and profitability, and good reputation (Auka, Bosire et al. 2013).

True retention exists when the customer resists pressures to switch to another service provider (Gilmore and McMullan 2009). Therefore, customer retention is an attachment to or affection for the company's products, people or services (Jones, Mothersbaugh et al. 2002). However, many customers today do not feel the sense of urgency to align themselves long term with particular guesthouses which is resulting into customer loss and defection to the rivals hence affecting profitability of guesthouses (Garland, 2002). Reicheld, (1996) postulates that an increase in the defection rate results in dwindling cash flow to the business. It thus, requires that businesses should know and anticipate the customer needs/wants and try to exceed them by creating good ambience, communicating to the customer, complimenting, hiring professional staff and consistent service delivery (Andreassen and Lindestad 1998; Fornell 1992; Fecikova 2004).

But according to Shuck et al., (2011), service quality is a result of good working environment experienced by employees .Work environment involves the service quality tasks, activities, rules, policies and work unit behaviors that employees sense and experience around them on a daily basis that make up the general tone, atmosphere or work environment. However, majority of Uganda's employees work in an environment generally characterized with unappealing conditions like intimidation by the seniors, low pay, weak regulations, unfair treatment, work overload, lack of privacy, stagnated career development and lack of staff promotion hence giving employees a feeling of depression, regret and if given an opportunity they would leave the industry. This means that working environment is vital if guesthouse staff is to deliver quality service to customers and thus lead to customer retention (Little and Marandi 2003; White and Yanamandram 2007) as the more satisfied the employees are, the better the service quality delivered and the reverse is true (Lockwood;2007). Therefore, work environment has a positive influence on customer retention in guesthouses.

1.1.1 Methodology

Customers and staff who demonstrated willingness to improve guesthouse services were selected to answer the questionnaires that were designed in accordance with the study objectives, SERVQUAL model developed earlier by various scholars formed part of the research design. All questionnaires were self-administered and consisted of closed ended questions and a few open –ended questions for purposes of clarity. The study used a cross sectional survey approach with the aim of establishing the relationship between service quality, work environment and customer retention in Guesthouses in Kampala District. Both qualitative and quantitative methods were used in data collection and analysis for purposes of drawing valid conclusions. The target population comprised of 327 guesthouses registered with Ministry of Tourism, Wildlife and Antiquities covering the employees and customers. A sample size of 181 guesthouses was studied basing on Research Advisors (2006) adopted from (Krejcie and Morgan 1970). These guesthouses were then stratified into large (from 10 rooms and above) and small guesthouses (from 1 to 10 rooms) according to (Private Sector Foundation-Uganda, 2012;Uganda Investment Authority,2008; Statistical Abstract, Ministry of Tourism, Wildlife and Antiquities , 2012; ITC, 2011). A simple random sampling technique was used to select respondents from each strata of the study where information concerning work environment, service quality and customer retention was collected which helped the study to produce more reliable results.The study used both primary and secondary sources of data. Primary data was obtained from frontline employees (e.g. reception, Kitchen, restaurant staff and maids), managers as well as customers. Secondary data was obtained from the review of literature in journals and books obtained from the internet as well as libraries. The study also used observation method where the researcher independently observed staff behaviours, customer responses and feelings as well as the structural and physical set up of guesthouses. A 5-point Likert Scale was used to assess the adequacy of service quality, work environment, and customer retention in the selected guesthouses. Service quality was measured using reliability, tangibles, responsiveness, assurance and empathy as proposed by Parasuraman (Parasuraman, Zeithaml et al. 1985; Komunda and Osarenkhoe 2012; Tukamushaba and Xiao 2012). Work environment was measured by remuneration, recognition and working conditions in the guesthouses (Little and Marandi 2003; White and Yanamandram 2007) while Customer retention was measured by looking at repeat purchase, referrals and recommendations (Blattberg and Wisniewski 1989). Cronbach's Alpha Coefficient was used to measure the consistency of the items and reliability of the instruments. According to (Kamukama and Natamba 2005), an alpha of 0.5 or higher is sufficient to show reliability. The closer the alpha is to one, the higher the internal consistency reliability; (NEWMAN 1978; Dhillon 1980).

The reliability was calculated for the measurement sets which assess the importance of customer retention activities associated with service quality and work environment. The reliability statistics for the measurement sets are presented in Table 4. It is evident from the above Table that Cronbach's alpha for all measurement sets is above the acceptable limit of 0.70. The measurement set were found to be reliable (NEWMAN 1978; Kamukama and Natamba 2005).

Table 4: Reliability Coefficients

Variable	Cronbach's Alpha	N of Items
Service Quality	.920	40
Work environment	.845	18
Customer retention	.921	10

Source: Primary data

Before analysis of collected data began, data had to be prepared depending on the outline laid down at the time of developing the research plan. This ensured that the researcher had cleaned up all relevant data for making contemplated analysis (Basheka 2009). In data analysis, order, structure and meaning to the mass information collected was done. Quantitative data was got through data coding in order to get numbers. Coded data was then analyzed using SPSS (Statistical Package for Social Sciences) to establish the correlation among the variables. A factor analysis (FA) was conducted to assess the validity of each construct in the model while the reliability of the variable was assessed using Cronbach's alpha, Cross tabulations which describe the sample characteristics and Analysis of Variable (ANOVA) Tests was carried out to determine the differences in perception about the variables. Regression was used to determine the strength of the relationship between variables. Pearson regression analysis was used to find out how the dependent variable (customer retention) depends on the two independent variables (service quality and work environment).

1.1.2 The results

A frequency distribution analysis included gender, marital status, age group and education level and regarding whether they had visited the guest house seeking for a service. As shown in table 4.1.1. This implies that majority of the employees had family responsibilities at home apart from guesthouse duties. The findings further revealed that most of the employees held diploma (38.7%), 22.6% (certificate), 12.9% (each of primary, secondary and degree). And this indicates that most of them had had formal training. Most staff sampled (71.0%) were support staff and they thus had direct contact with customers most of the times and the rest were supervisors. Findings about the department of the staff showed that most of them (35.5%) were F&B staff, followed by kitchen staff (29.0%), housekeeping (19.2%), front desk (12.9%) and others (3.2%). And regarding their terms of employment, most of them (45.2%) were permanent staff, 41.9% were on contract and the rest were wage earners.

The factor structure of Service Quality was ascertained so as to bring out the influence that each of the variables under Service quality has on its variation. Results in table 4.2.1 indicate that five factors were extracted as the significant variables explaining service quality in the opinion of the customers of the guest houses that were studied. These were identified as reliability, tangibles, responsiveness, empathy and assurance. The Eigen values and the explained percentage variance in table 4.2.1 reveal that reliability (Eigen value = 5.93, Variance = 14.82%) was relatively the most critical dimension/factor of service quality to the guest houses, followed by tangibles (Eigen value = 2.66, Variance = 6.64%), responsiveness (Eigen value = 2.55, Variance = 6.39%), empathy (Eigen value = 2.34, Variance = 5.99%) and assurance (Eigen value = 2.39, Variance = 5.97%). All of those factors combined explain 39.81% of the variation in the service quality of the Guest houses.

The issues that underlie reliability of the Guest houses in the opinion of the customers include; providing the services that have been promised (.759), providing the service at the appointed time and as promised (.750), availability of services at all times (.636), having and maintaining standard services such as; portion size, beds and beddings, room quality, furniture, space (.611) and offering the services right from the first time (.586). Tangibles were better marked by; existence of a good reputation of the guesthouse in the public eye (.715), existence of comfortable beds, rest chairs, and other room accessories in all rooms as promised (.676) and the very organized décor, layout and lighting (.621). The aspect of responsiveness was emphasized by; willingness of employees to answer customers' questions (.790), consideration of guest preferences in delivering a service by the staff (.608), keeping the customers informed of any changes to the services by the service staff (.570) and efficient handling customer reservations (.557). Empathy at the Guest houses was shown by; staff having interest and showing concern for guests (.598), availability of enough staff to attend to guest needs, employees respecting guest privacy and confidentiality (.567) and employees being kind, loving, and caring (.527). Assurance at standpoint of customers was most felt because of; existence of an efficient customer complaint system (.726), readily available services/products whenever needed (.695) and consistence of services in terms of quality, size, price, time and speed (.560)

The factor structure of work environment as viewed by the staff of the Guest houses was also captured so as to bring out the influence that each of the variables under work environment has on its variation. The bi-variate

correlation analysis between Service quality, Work environment and Customer retention as per table 7 indicates that Service quality had a significant relationship with work environment ($r=.767, p>.05$), and also findings revealed that there was a significant positive relationship between Service quality and Customer retention ($r=.770, p<.01$). The relationship between work environment and customer retention was however indirect such that the customer did not need to know how they pay staff for example before he or she buys a service or product. This indicates the quality of service at the guest house may depend on the state of the work environment. Of all variables underlying service quality, reliability correlated the strongest with Customer retention ($r=.705, p<.01$), followed by tangibles ($r=.654, p<.01$), assurance ($r=.643, p<.01$), response ($r=.587, p<.01$) and empathy ($r=.505, p<.01$).

Regression analysis

In order to determine how the variation in the customer retention was influenced by the variation in Service Quality and work Environment, regression analysis was employed. The results are summarized in table 4.5.1.

Table 4.5.1: Regression analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.158	.659		.239	.813
Service Quality	1.277	.153	.896	8.334	.000
Work Environment	.308	.135	.206	2.292	.030

Dependent Variable: Customer Retention

<i>R Square</i>	.79	<i>F Statistic</i>	33.822
<i>Adjusted R Square</i>	.766	<i>Sig.</i>	.000

Source: Primary data

The model

The results in table above, show that service quality and work environment were good predictors of customer retention (F -statistic = 33.822, $p<.000$). These two factors accounted for about 76.6% of the observed variation in customer retention. The findings further showed that the relationship between service quality and working environment was statistically significant ($Beta=.896, p<.01$) and that the relationship between working environment and customer retention was significant ($Beta=.206, p>.05$) as seen in table 7.

Table 1: Correlation analysis

Variable	1	2	3	4	5	6	7	8
Service Quality (1)	1							
Reliability (2)	.838**	1						
Response (3)	.746**	.561**	1					
Empathy (4)	.779**	.534**	.478**	1				
Assurance (5)	.825**	.630**	.513**	.515**	1			
Tangibles (6)	.826**	.623**	.510**	.562**	.634**	1		
Work Environment (7)	.767**	.701**	.592**	.620**	.636**	.719**	1	
Customer Retention (8)	.770**	.705**	.587**	.505**	.643**	.654**	.126	1

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

Source: Primary data

1.1.2 Discussion and conclusions

Results in table 4.5.1 showed that service quality (reliability, assurance, empathy, responsiveness, and tangibles) had a significant positive effect on customer retention at 1% level of significance ($beta = .896, p<.01$). This implies that when customer received quality service, then their retention will be improved and at this level, they will repurchase, refer, positively talk about the guesthouse and also recommend others. Findings in table 4.5.2 further showed that work environment had a significant effect on customer retention ($beta = .206, p<.05$), implying that the state of the work environment of guest houses affect customer retention. However, the effect

was indirect since the customer did not need to know the state of affairs of the staff i.e. how they are paid or treated, but this relationship affected the delivery of quality service which in the end could result to either customer retention or customer complaints and loss. For example, even when the staff would wish to be responsive by quickly serving the customer, but when underpaid, ill-treated or took long to be paid salary; it will negatively affect the staff actions towards delivering quality service and how the staff handles the customer. Finally, the customer will feel the effect and eventually may complain of delayed service, ill-treatment e.t.c., which may cause him/her to switch to the rival firm.

Findings in table 4.5.2 further showed that work environment had a significant effect on service quality ($\beta = .206, p < .05$), implying that the state of the work environment of the guest houses affected the delivery of the service to the customer. When the staff is satisfied with the work environment (in this case how he/she is paid, good relations, respected, rewarded and buildings are well maintained), then they will be reliable, empathetic, responsive among others hence most likely to deliver good service which will in turn satisfy the customers and hence lead to improved customer retention in guesthouses. The work environment is measured by how management remunerates its staff and the working conditions (level of supervision, structure and state of buildings, managerial support and recognition and among others), (Blattberg and Wisniewski 1989; Little and Marandi 2003; White and Yanamandram 2007). However, when the work environment is not good; like it is in most guesthouses in Uganda which is generally characterized with unappealing working conditions, weak regulations, unlimited intimidation by the seniors, work overload, as well as low payment and rewards; guesthouse employees will have a feeling of depression, regret and eventually exhibit unpleasant behaviours or deliver substandard quality of service to customers. The study concludes that customer retention is basically dependent on how well the working environment is and the quality of service delivered.

Conclusion

Retaining customers is important to the future existence of most service firms including guesthouses (Parasuraman, Zeithaml et al. 1985; Komunda and Osarenkhoe 2012; Tukamushaba, Musinguzi et al. 2012). Andreassen and Lindestad further state that customer satisfaction and work environment are important aspects that are believed to impact on customer retention. Therefore managers should understand the drivers of customer retention by offering high quality services, maintaining a good work environment that will give them a more and sustainable competitive advantage and by offering high quality services, a strong connection will be built between the customer and the service provider hence customer retention improvement (Andreassen and Lindestad 1998).

1.1.3 Recommendation to the Study

If guesthouse employees are to offer quality services to customers, it is vital to empower them through training and exposure to better ways of service delivery. There is a call to all managers and owners to improve on the work environment which greatly affects staff interaction with customers. This can be done by revising the remuneration terms, respecting staff, fair treatment at work, and supporting staff in all circumstances. Managers should set up, implement, revise and monitor service standards; staff behaviours as well as customer characteristics aimed at improving service delivery. There should be establishment of customer feedback mechanisms in all guesthouses in Kampala city where customers can ably feed management with complaints and suggestions. Recruitment of staff should be based on merit, skill and professionalism rather than tribe or family background.

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APPENDIX 1: QUESTIONNAIRE FOR STAFF

MAKERERE UNIVERSITY BUSINESS SCHOOL GRADUATE AND RESEARCH CENTRE QUESTIONNAIRE

(Guest House staffs)

Dear Respondent,

We are conducting an academic research entitled “**WORK ENVIRONMENT, SERVICE QUALITY AND CUSTOMER RETENTION IN SELECTED GUESTHOUSES IN UGANDA**”. You have been identified as a resourceful person for this study and hereby requested to spare your resourceful time and fill in this questionnaire. The information you provide will be kept strictly confidential and only aggregate figures will be reported. It will be greatly appreciated if you would complete the questionnaire, as your opinion can help improve the service of Ugandan guest houses. In case you are interested in the outcome of the study, kindly provide your contact address and kindly return the completed questionnaire to the deliverer. Thank you for your time and effort.

Yours faithfully,

Mr. Kalulu Ronald

Lead Researcher

International University of East Africa

Tel +256-782368052/+256-700368052

Ms. Kiconco Michelle

Associate Researcher

Makerere University Business School

Tel +256-705-400-025

SECTION A: SAMPLE CHARACTERISTICS (Please tick the most appropriate option)

1. **What is your age group?**

Age (years)	20-30	31-40	41-50	51 and above

2. **What is your gender?**

1. Male	2. Female

3. **What is your marital status?**

1.Single	2. Married	3.Divorced	4.Widowed	5. Separated

4. **What is your highest education level?**

1.None	2.Primary	3.secondary	4.Certificate	5.Diploma	6.Degree

5. **Which options below best describes your level in the guesthouse?**

1.Support staff	2. supervisor	3. Manager

6. **Which department(s) are you working in?**

1.Front office	2. F& B	3.concierge	4.kitchen	5.Housekeeping/laundry	6.Others

7. **How long have you worked in this guesthouse? Months.....**

8. **What are your terms of employment?**

1.Contract	2. Permanent	3. Wage earner

ORK ENVIRONMENT

Instructions: referring to your most recent stay in a guest house, please rate the expectation of each service attribute and the actual perception (1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree).

Please select only one option that best suits your level of agreement or disagreement					
PART 1: REMUNERATION AND INCENTIVES					
The guesthouse remunerates its staff very well compared with industry rates	1	2	3	4	5
If you perform to the expected level, management rewards you	1	2	3	4	5
There are clear guidelines for promotion and rewarding of staff	1	2	3	4	5
Apart from salary, the guesthouse pays some bonus, allowances and wages	1	2	3	4	5
All staffs are motivated	1	2	3	4	5
The salary/wage paid can meet the cost of living	1	2	3	4	5
I am willing to stay working with this guesthouse	1	2	3	4	5
The guesthouse assists you in times of need and trying times e.g. loss of loved one	1	2	3	4	5
PART 2: WORKING CONDITIONS					
There is respect for privacy of staff at the guesthouse	1	2	3	4	5
All services are standardized i.e. available recipes, menus, price charts, rooms size etc.	1	2	3	4	5
We are given days off every week or month	1	2	3	4	5
There is a job security for everyone at the guesthouse e.g. appointment letter	1	2	3	4	5
Management provides lunch, transport, medical and to all employees	1	2	3	4	5
All rooms have ventilations, and all buildings are safe to work in	1	2	3	4	5
The manager is exemplary in whatever he/she does	1	2	3	4	5
In case a staff is on night duty, transport is provided back home	1	2	3	4	5
The supervision level is conducive	1	2	3	4	5
Management renovates and repairs all damaged property/equipment	1	2	3	4	5

Thank you

APPENDIX 2: QUESTIONNAIRE FOR CUSTOMERS

MAKERERE UNIVERSITY BUSINESS SCHOOL GRADUATE AND RESEARCH CENTRE

QUESTIONNAIRE (Guest House Customers)

Dear Respondent,

We are conducting an academic research entitled “**WORK ENVIRONMENT, SERVICE QUALITY AND CUSTOMER RETENTION IN SELECTED GUESTHOUSES IN UGANDA**”. You have been identified as a resourceful person for this study and hereby requested to spare your resourceful time and fill in this questionnaire. The information you provide will be kept strictly confidential and only aggregate figures will be reported. It will be greatly appreciated if you would complete the questionnaire, as your opinion can help improve the service of Ugandan guest houses. In case you are interested in the outcome of the study, kindly provide your contact address and kindly return the completed questionnaire to the deliverer. Thank you for your time and effort.

Yours faithfully

Mr. Kalulu Ronald

Lead Researcher

International University of East Africa

Ms. Kiconco Michelle

Associate Researcher

Makerere University Business School

SECTION A: SAMPLE CHARACTERISTICS (Please tick the most appropriate option)

1. What is your age group?

Age (years)	20-30	31-40	41-50	51 and above

2. What is your gender?

3. Male	4. Female

3. What is your marital status?

1.Single	2. Married	3.Divorced	4.Widowed	5. Separated

4. What is your highest education level?

1.None	2.Primary	3.secondary	4.Certificate	5.Diploma	6.Degree

5. Have you visited the guesthouse during the last twelve months seeking for any service? (Score 1=yes, 2=No).....

6. If yes, to the above question, how many times have you visited this guesthouse in the last 12 months?

7. How well do you agree or disagree with the following as reasons for your return to this guesthouse? Where SD-Strongly Disagree, D-Disagree, NS-Not Sure, A-Agree, SA-Strongly Agree

Reason	Response				
	SD	D	NS	A	SA
Good food	1	2	3	4	5
Nice atmosphere	1	2	3	4	5
Cheap price	1	2	3	4	5
Convenient location	1	2	3	4	5
Friendly and helpful staff	1	2	3	4	5
The value of the service offered is excellent	1	2	3	4	5
Guarantee of reliable services	1	2	3	4	5
Easy and fast order taking process (waiting time for service)	1	2	3	4	5
Service delivery speed	1	2	3	4	5
Special offers, discounts etc.	1	2	3	4	5
Good atmosphere i.e. interior design, structural designed	1	2	3	4	5
Distinctive or Additional services	1	2	3	4	5
Recommendation from friend who was once a guest	1	2	3	4	5

8. Do you consider the guesthouse to be your primary guesthouse? (Score 1=yes, 2=No).....

9. Would you recommend the guesthouse to a friend or colleague? Yes.....No.....

SECTION B. SERVICE QUALITY

Instructions: referring to your most recent stay in a guest house, please rate the expectation of each service attribute and the actual perception (1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree).

DIMENSIONS OF SERVICE QUALITY						
Please select only one option that best suits your level of agreement or disagreement	SD	D	N	A	SA	
PART A: RELIABILITY						
The guesthouse provides the service at the appointed time and as promised	1	2	3	4	5	
The guesthouse offers a variety of services	1	2	3	4	5	
Guesthouse staff have the required skills (professionalism and competence)	1	2	3	4	5	
The guesthouse has and maintains standard services i.e. portion size, beds and beddings, room quality, furniture, space etc. and service is always availability.	1	2	3	4	5	
Guesthouse services are always available.	1	2	3	4	5	
The guesthouse provides the services that have been promised	1	2	3	4	5	
The guesthouse performs the services right from the first time	1	2	3	4	5	
The guesthouse provide quality in all service points	1	2	3	4	5	
PART B: RESPONSIVENESS						
The guesthouse service centers open at times suitable for me	1	2	3	4	5	
The guesthouse provides prompt services	1	2	3	4	5	

Customer reservation is handled efficiently	1	2	3	4	5
Employees are willing to answer my questions	1	2	3	4	5
The guesthouse staffs are helpful and supportive to customers	1	2	3	4	5
The service staff keep the customers informed of any changes to the services	1	2	3	4	5
The staff considers guest preferences in delivering a service	1	2	3	4	5
I received undivided attention at the front desk and other areas/units visited	1	2	3	4	5
Staff behaviours, actions and services are predictable	1	2	3	4	5
PART C: EMPATHY					
The staff have interest and show concern for guests	1	2	3	4	5
There are enough staff to attend to guest needs	1	2	3	4	5
The employees are kind, loving, and caring	1	2	3	4	5
The employees respect guest privacy and confidentiality	1	2	3	4	5
The guesthouse anticipates guest needs and wants	1	2	3	4	5
The guesthouse has the ability to treat me the way I expected to be treated	1	2	3	4	5
PART D: ASSURANCE					
The guesthouse services/products are available whenever needed by guests	1	2	3	4	5
Guesthouse provides a safe and secure environment	1	2	3	4	5
The customer gets what she/he pays for	1	2	3	4	5
Guesthouse services are consistent in terms of quality, size, price, time, speed etc.	1	2	3	4	5
All rooms have comfortable beds, rest chairs, and other accessories as promised	1	2	3	4	5
There is an efficient customer complaint system at the guesthouse	1	2	3	4	5
There is undivided attention provided to guests in all service units of the guesthouse	1	2	3	4	5
PART E: TANGIBLES					
The guesthouse has a well maintained and up-to-date service facilities and equipment	1	2	3	4	5
There is value for money at the guesthouse	1	2	3	4	5
Services are easy to use	1	2	3	4	5
Guesthouse provides a conducive and welcoming atmosphere	1	2	3	4	5
The employees appear professional and are neat in terms of appearance	1	2	3	4	5
There is a good access to the guesthouse premises i.e. good roads, corridors etc.	1	2	3	4	5
The décor, layout and lighting is very organized	1	2	3	4	5
All rooms have comfortable beds, rest chairs, and other accessories as promised	1	2	3	4	5
There is a good reputation of the guesthouse in the public	1	2	3	4	5
There is a parking facility	1	2	3	4	5
SECTION C: CUSTOMER RETENTION					
I intend to continue getting services from this guesthouse	1	2	3	4	5
Seldom consider or doubt switching away from this guesthouse	1	2	3	4	5
To me, this guesthouse is really the best	1	2	3	4	5
I often encourage friends to use this guesthouse	1	2	3	4	5
This is my primary choice whenever I plan to get services	1	2	3	4	5
I always say positive things about this guesthouse to other people	1	2	3	4	5
The value of the guesthouse is what makes me come back	1	2	3	4	5
The overall ability to satisfy my needs is high	1	2	3	4	5
There is security, reliability and assurance at the guesthouse	1	2	3	4	5
Charges/fees for the services are reasonable	1	2	3	4	5

Thank you

APPENDIX:4

Table 4.1.2: Background characteristics of the customers

Variable (N=113)	Description	Frequency	Percent
Age group	20-30	41	36.3
	31-40	47	41.6
	41-50	18	15.9
	51 and above	7	6.2
Gender	Male	63	55.8
	Female	50	44.2
Marital status	Single	48	42.5
	Married	50	44.2
	Divorced	10	8.8
	Widowed	1	0.9
	Separated	4	3.5
Highest level of education level	None	2	1.8
	Primary	16	14.2
	Secondary	18	15.9
	Certificate	27	23.9
	Diploma	28	24.8
	Degree	22	19.5
Whether the customer has sought any service in the last twelve months	Yes	68	60.2
	No	45	39.8

Source: Primary data

The table above gives a glimpse of customer characteristics as studied by the researcher.

APPENDIX:5

Table 4.1.3: Background characteristics of the staff

Variable (N=31)	Description	Frequency	Percent
Age group	20-30	12	38.7
	31-40	17	54.8
	41-50	2	6.5
Gender	Male	14	45.2
	Female	17	54.8
Marital status	Single	12	38.7
	Married	17	54.8
	Divorced	2	6.5
Highest education level	Primary	4	12.9
	Secondary	4	12.9
	Certificate	7	22.6
	Diploma	12	38.7
	Degree	4	12.9
Position	Support staff	22	71.0
	Supervisor	9	29.0
Department	Front desk	4	12.9
	F&B	11	35.5
	Kitchen	9	29.0
	Housekeeping/Laundry	6	19.4
	Others	1	3.2
Terms of employment	Contract	13	41.9
	Permanent	14	45.2
	Wage earner	4	12.9

Source: Primary data

The table above describes the background characteristics of the guesthouse employees studied from age, education, department of work, marital status, position held and terms of employment.

APPENDIX:6

Table 4.2.4: Factor structure of service delivery

Item/Factor	Reliability	Tangibles	Responsiveness	Empathy	Assurance
The guesthouse provides the services that have been promised	.759				
The guesthouse provides the service at the appointed time and as promised	.750				
Guesthouse services are always available.	.636				
The guesthouse has and maintains standard services i.e. portion size, beds and beddings, room quality, furniture, space etc. and service is always availability.	.611				
The guesthouse performs the services right from the first time	.586				
There is a good reputation of the guesthouse in the public		.715			
All rooms have comfortable beds, rest chairs, and other accessories as promised		.676			
The décor, layout and lighting is very organized		.621			
Employees are willing to answer my questions			.790		
The staff considers guest preferences in delivering a service			.608		
The service staff keep the customers informed of any changes to the services			.570		
Customer reservation is handled efficiently			.557		
The staff have interest and show concern for guests				.598	
There are enough staff to attend to guest needs				.584	
The employees respect guest privacy and confidentiality				.567	
The employees are kind, loving, and caring				.527	
There is an efficient customer complaint system at the guesthouse					.726
The guesthouse services/products are available whenever needed by guests					.695
Guesthouse services are consistent in terms of quality, size, price, time, speed etc.					.560
Eigen Value	5.929	2.656	2.55	2.395	2.390
Variance (%)	14.82	6.641	6.39	5.988	5.974
Cummulative Variance (%)	14.82	21.46	27.9	33.84	39.812

Source: Primary data

The above table summarises the variables making the five dimensions of service quality which include tangibles, reliability, responsiveness, empathy and assurance as proposed by Parasuraman.

APPENDIX:7

Table 5: Factor structure of work environment

Variable	Working conditions	Remuneration & Incentives
There is respect for privacy of staff at the guesthouse	.831	
Management renovates and repairs all damaged property/equipment	.820	
All rooms have ventilations, and all buildings are safe to work in	.794	
We are given days off every week or month	.786	
There are clear guidelines for promotion and rewarding of staff		.839
The guesthouse assists you in times of need and trying times e.g. loss of loved one		.814
The guesthouse remunerates its staff very well compared with industry rates		.728
I am willing to stay working with this guesthouse		.782
The salary/wage paid can meet the cost of living		.730
Eigen Value	4.282	2.378
Variance (%)	23.787	13.214
Cummulative Variance (%)	23.787	37.001

Source: Primary data

Bibliography of authors

Kalulu Ronald is a first born of the 8 children born in Muguluka Buwenge Sub County in Jinja district Uganda in 1980. He graduated with a master of Tourism and Hospitality management from Makerere University 2014 and an undergraduate bachelor's degree of catering and hotel management where he obtained a first class honours degree in at Makerere University. By the time of writing this paper, Ronald is a lecturer in the department of tourism and Hotel management, department of Tourism and Travel management of the University of Tourism, Technology and Business (UTB) Rwanda. Ronald has served the hospitality industry as a Graduate Assistant in department of Leisure and Hospitality management, faculty of Marketing and Hospitality of Makerere University Business School (Mubs), Part-time lecturer department of Tourism and Biodiversity of Makerere University and as Part-time lecturer in the faculty of Business and management of International university of East Africa-Kampala. He was the Guesthouse manager, and waiter up to 2011 when he joined teaching. He has taught tourism and hospitality studies for more than 3 years and supervised undergraduate students' research project. Mr Kalulu is currently married to Namwase Ephrance and they both have a son and 2 beautiful daughters.

Kiconco Michelle is a second born of the family of 4 beautiful daughters born in Kabale district in 1990. By the time of writing this paper, she is a lecturer in the department of Leisure and Hospitality management, faculty of Marketing and Hospitality of Makerere University Business School (Mubs). She graduated as the best MBA student in the recent graduations held at Makerere University 2014. She was also the overole best student in humanities at Makerere University during her undergraduate studies in 2010. She has taught hospitality studies for more than 3 years and supervised undergraduate students' research project. Ms Kiconco is currently married to Wilson and they both have a son.

Ms Kesande Provia is a third born of 12 children born in Kabale district in 1985. She graduated with a master of Tourism and Hospitality at Makerere University 2014. In addition, Kesande graduated at Makerere University with a bachelor's degree of Leisure and Hospitality where she was also the overole best student in 2010. By the time of writing this paper is a lecturer in the department of Leisure and Hospitality management, faculty of

Marketing and Hospitality of Makerere University Business School (Mubs). She has taught leisure and hospitality studies for more than 3 years and supervised undergraduate students' research project. Ms Kesande is happily married to Gabriel. Kesande has served the hospitality industry as a hotel manager, and up to 2011 when she joined teaching. He has taught tourism and hospitality studies for more than 3 years and supervised undergraduate students' research project.