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Effects of human resources management practices on supply chain flexibility: evidence from tourist hotels in Tanzania

Gerald B. Magova[1] and Severine S. Kessy[2]

ABSTRACT

The study was designed to examine the effects of human resource management practices on supply chain flexibility. Specifically, it sought to determine the influence of participation practices, selective hiring practices, compensation practices, job security practices and teamwork practices on supply chain flexibility of tourist hotels in Tanzania. The study adopted a cross-sectional survey approach, where 228 respondents were involved. Hypotheses linking human resources management practices and supply chain flexibility were developed and tested using a structural equation modelling technique. The findings indicate that selective hiring practices, job security practices and teamwork practices have a significant positive influence on supply chain flexibility. The findings imply that employees with appropriate skills, knowledge, abilities and cultural fit, who are highly motivated through job security and compensation practices are important in ensuring supply chain flexibility in hotel settings. Therefore, directors and managers in the hotel industry are urged to deploy human resources management practices as strategies to increase supply chain flexibility as tactical measures to satisfy customers and win their loyalty.
Key words: *HRM practices, supply chain flexibility, hotel industry.*

INTRODUCTION

Hotels remain competitive in their endeavour to offer services to customers by providing quality services. However, this cannot be achieved by a single organisation but rather through the efforts of many other key players along the supply chain (SC) where firms coordinate and collaborate with their trading partners. Once more, one of the most important aspects in supply chain management today is how firms react to both short- and long-term disruptions in business. As a result, many companies today wish to achieve supply chain flexibility (SCF) in their day-to-day operations (Elgazzar & Elzarka, 2017; Martínez & Pérez, 2005; Handfield & Nichols, 1999).

SCF has become the centre of discussion by researchers because it helps companies to manage costs when meeting consumer demands, helps companies to meet short-term changes, helps to manage spontaneous problems or opportunities quickly and effectively and it enables firms to combat increased market volatility, adjust to complex patterns of consumer demand, and boost company value (Muntanka, Haruna & Mensah, 2017; Dhiaf, Benabdelhafid & Jaoua, 2012). Thus, the importance of SCF is seen in its attempt to address short-term variations in demand or supply and to tackle external interruption which leads to customer dissatisfaction. Conversely, achieving success of SCF in organisations has become one of the challenging phenomena today due to the growing diversity and uncertainty in the business environment (Selmosson & Hagström, 2015). Despite the importance of the SCF in organisations, care must be taken in implementing it because

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of the underlying cost and its multidimensional nature (Pujawan, 2004). Thus, it is imperative that organisations should decide the required degree of SCF and the appropriate strategy to respond to short and long-term variations.

Previous researchers have shown interest in organisational flexibility (Slack, 1988; Gupta & Goyal, 1989; Gupta & Sommers, 1992). As a result of these works, many papers have been published on the concept of flexibility. Currently, researchers have extended their focus to SCF (Duclos, Vokurka & Lummus, 2003; Pujawan, 2004; Angkiriwang, Pujawan, & Santosa, 2014). In addition, studies on SCF have been done in various settings. One of such settings is the manufacturing industry (Ainhoa *et al.*, 2014; Gosling, Naim & Towill, 2013); however, recently there has been a shift towards researching SCF in service sectors (Elgazzar & Elzarka, 2017; Zhang & Chen, 2015; Huang, Tan & Ding, 2012) due to the importance of the service industry in the economy and the differences between service and manufacturing industries (Zhang & Chen, 2015) and therefore focusing on service industry is paramount and especially in hotels.

In reality, the Organisation for Economic Cooperation and Development (OECD) (2017) provides that service industries constitute around 70% of aggregate production and employment worldwide. One type of the services that people consume worldwide is tourism services. In Tanzania, for example, WTTC (2017) reported that tourism services led to an important contribution to GDP to the tune of TZS 13,097.8 billion in 2016 (13.3% of GDP) and it was expected that this contribution would have grown by 4.1% to 13635.0 billion (13.1% of GDP) in 2017. In addition, studies that have attempted to examine SCF in the service sector such as in the hotel industry are numerous in developed countries and few in developing countries, such as Tanzania.

Furthermore, the hotel industry in Tanzania is characterised by small and medium hotels with few large hotels. Concurring with international classification of hotels, where star rating is used, Tanzania has so many one-star, two-star and three-star hotels compared to four-star and five-star hotels. One-star, two-star and three-star hotels are considered to be small and medium hotels while four-star and five-star hotels are considered to be large hotels (Felix & Clever, 2014; Wilbard, 2017). The hotel industry in Tanzania is performing better and better year after year. This is due to the increased influx of tourists in the country. For example, in the year 2016, the number of tourists who visited the country was 1,020,816. This number is far bigger than 924,442 tourists who visited the country in 2015, which is a 10.42% increase in tourist influx into Tanzania (URT, 2016). Additionally, in tourism businesses, people have to travel from within and different parts of the world to see the attractive natural resources and historical sites, and therefore hotels become one of the requirements in their stay at the destination (Orfila-Sintesa, Crespi-Cladera & Martinez-Ros, 2005).

Due to the importance of the hotel industry in the tourism sector in general, and the fact that it is fundamental to the provision of all other tourism services to tourists when they reach their destination (Orfila-Sintesa *et al.*, 2005), this study chose the hotel industry as a suitable example of the service economy because of diversity of services in the tourism sector. Additionally, the choice of hotel industry is justified by the fact that it includes other heterogeneous and homogeneous companies in production and operation so that they are able to offer services to customers. This is also due to the fact that the hotel sector creates both direct and indirect economic impact to the local area as a result of decisions made by tourists to stay at particular hotels

(Bresciani, Thrassou & Vrontis, 2015). This is the reason this study picked the hotel industry to examine the link between HRM practices and SCF as a way of comparing results in different contexts. Furthermore, researchers in hotel management argue that it is important to use hotel industry as a research context in the future (Wilbard, 2017; Sanga, 2014; Bresciani *et al*., 2015). Despite the importance of the hotel industry, this industry in Tanzania still faces difficulties in fulfilling customer request, planning and forecasting customer demand, delivery of good quality services, inflexibility of hotel operations, costly operations and unreliability of their services (Wilbard, 2017; URT, 2015; Kazimoto, 2014). These problems can be eliminated or at least reduced if HRM practices within these hotels is exploited to the maximum to ensure SCF is successfully attained.

Previous research on SCF argue that SCF is influenced by company environment, government support, aspects from overseas, information technology, supply chain relationships, relationship with customers, top management commitment, information sharing among supply chain members, and trust among supply chain members (Singh *et al*., 2017, Marwah, Thakar & Gupta, 2014). Conversely, few studies have examined the factors affecting SCF from HRM perspectives. It is important to study the influence of HRM practices on SCF due to the significance of the skills, knowledge and abilities that employees must have to ensure SCF. This is because having employees with appropriate skills, who are well-motivated and who are given the opportunity to participate in decision making, will improve the organisational capabilities to manage SCF. According to the Resources Based View (RBV) Theory, in order for firms to achieve SCF they must have resources and capabilities that are valuable, rare, inimitable and non-substitutable (Barney, 1991). Day (1994) differentiated assets from capabilities. According to Day (*ibid*), assets are resource endowments collected by firms in the course of doing business (e.g. hotel buildings, location and brand equity) while capabilities are the glue that binds these assets in a proper way to achieve benefits (e.g. skills, experiences, practices). This article views firms' resources as capabilities that exist within firms and across firms in the hotel SC (Fisher, Graham, Vachon & Vereecke, 2010; Menon, 2012; Swart, Hall & Chen, 2012).

Additionally, the Abilities, Motivation and Opportunity to participate (AMO) Theory, suggests that employees with appropriate skills, abilities and right motivation cannot achieve organisational outcomes such as SCF if they are not given the opportunity to participate (Hutchinson, 2013; Appelbaum, Bailey, Berg & Kalleberg, 2000). Therefore, SCF success lies not only on the systems and equipment that firms have but also on the proper implementation of HRM practices. Scholars have come to an agreement that implementation of SCF lies on the human behaviour in those supply chain systems (Bendoly, Donohue & Schultz, 2006). As a result, HRM has become an agenda among researchers attempting to rationalise efforts to achieve efficiency and effectiveness by leveraging human capital in the SC. Despite the increased importance of HRM/SCM research, many issues in the HRM/SCM interface remain unexplored (Fisher *et al*., 2010; Hohenstein, Feisel & Hartmann, 2014). In fact, the way HRM practices influence SCF in the hotel settings has received little attention by researchers. Therefore, this article seeks to contribute to the HRM/SCF link by investigating the effects of HRM practices on SCF and exploring the role of individual HRM practices on SCF.

THEORETICAL BACKGROUND AND RESEARCH HYPOTHESES
A study of SCF in relation to HRM practices can be guided by several theoretical perspectives: RBV, AMO and Supply Chain Operations Reference (SCOR) Model. In the RBV Theory, firms attain competitiveness such as SCF by acquiring and possessing resources in their domains that are firm-specific and not available to competitors (Barney, 1991). Examples of resources that firms can own are physical resources such as technology, equipment, geographical location, human resources, and organisational resources such as structure, social relations within organisations and between organisations. However, scholars have added intangibility of resources in the list of resources in the RBV Theory (Kamasak, 2017). Intangible assets are assets that lack physical substance such as skills, knowledge, experience, HRM practices, goodwill etc. Intangible resources such as HRM practices have greatly increased the ability of firms to acquire and develop valuable resources. This study used selective hiring practices (SH) as a strategy that firms use to acquire these HR resources.

HR resources within and across firms are important in creating competitive advantages such as SCF. This is only possible when firms acquire these resources that have knowledge, skills and abilities to execute SC activities. The way these organisations attract employees differs from organisation to organisation and this way is not obtained in the open market (Swart *et al*., 2012). Therefore, employee performance that has been assisted by implementation of selective hiring practices is a unique resource. The nature of SCF is that hotels need to be integrated both within and outside the organisation. This integration brings social complexity and causal ambiguity that should be handled by HR resources with appropriate skills, abilities and knowledge. As a result, there is always overdependence of humans in accomplishment of SCF activities, due to that selective hiring practice is important. How it is done makes it very difficult for other firms to duplicate or imitate (Wright, 2003). The hotel industry is labour-intensive and therefore careful adoption and implementation of selective hiring practices are important (Dragan, 2017). This brings several benefits such as bringing in hotel staff with the required skills, knowledge, abilities and culturally fit. These employees are required to align with expected guest experiences that hotel employees are required to offer and to manage other businesses to make guests' experience with the hotel memorable.

Despite its importance in the management literature, RBV is criticised as a self-verifying theory and difficult to operationalise (Priem & Buttler, 2001). However, RBV is attractive to scholars as it helps them explain the relationship among resources, capabilities and conditions required to achieve the success of organisations (Philemon, 2010). Thus, RBV provides a lens to comprehend how hotels attain intangible assets such as skills, knowledge and abilities through selective hiring practices.

Again, the AMO Theory contends that employees' ability, motivation and opportunity to participate in an organisation influence organisational outcomes (Appelbaum *et al*., 2000; Hutchinson, 2013) such as SCF. This is a motivational theory that provides managers with HR resources to motivate them and give them opportunity to participate. Employees' ability (A) can be obtained through selective hiring to ensure that firms obtain employees that have the required skills, ability, experience and cultural fit. In addition, employee training is done to ensure that they sharpen their skills, abilities and culture within their firms. Motivation (M) is influenced by extrinsic rewards (e.g. finance) and intrinsic rewards (e.g. interesting work), performance reviews,

feedback, career development, employment security, and work-life balance. Opportunity (O) is influenced by involvement initiatives, team working, autonomy, communication, job design and job rotation. This study used employee job security (JS), compensation practices (CP), participation practices (PP) and teamwork practices as firms' strategies that companies use to influence SCF.

Although AMO theory is important in explaining the link between implementation of HRM practices and performance, it faces the problem of selecting HRM practices that influence performance. This is due to the fact the theory uses perceptions than considerable empirical evidence (Wood, Burridge, Rudloff, Green & Nolte, 2015). Despite this weakness, the theory provides a useful lens to provide an explanation on the ways HRM practices influence SCF in hotel settings.

Yan, Li & Qui (2007) argue that the SCOR Model provides a framework to evaluate supply chain performance in organisations by focusing on five key management processes: plan, source, make, deliver and return from suppliers to customers. Central to these processes are operational strategy, materials, work and company's flow of information. To measure performance of firms in the supply chain, companies should use a set of criteria: supply chain reliability, responsiveness, flexibility, cost and assets (Yan *et al.*, 2007). These measures reflect the broader measures of supply chain performance which are efficiency and effectiveness. In this article, only the flexibility dimension of the supply chain performance is considered.

SCF entails the ability of firms to enhance adaptability, alignment and agility (Lee, 2004). Adaptability is concerned with capability of the SC to squeeze supply chain design, change supply networks strategies and technologies to meet structural changes in the market. Alignment is concerned with the ability of the supply chain to persuade other actors in the SC to work for the interest of the company to enhance supply chain performance while agility refers to the ability of the SC to respond to short-term variations and uncertainty in demand and supply and ability to manage external disruption with little penalty in cost and time (Tiwari, Tiwari, & Samwel, 2015).

Duclos *et al.* (2003) argue that SCF consists of six components: operation systems, market, supply, organisational, logistics and information system flexibility. Kumar, Fantazy, Kumar & Boyle (2006) define SCF as "the ability of supply chain partners to restructure their operations, align their strategies, and share the responsibility to respond rapidly to customers' demand at each link of the chain, to produce a variety of products in the quantities, costs, and qualities that customers expect, while still maintaining high performance." This denotes that SCF is a multidimensional concept and therefore researchers have not come to an agreement to define what the SCF is and how to measure it.

As a result, scholars have studied the concept from different perspectives. For example, a recent study on SCF advances that SCF cannot be determined by infrastructure framework alone; that means; there are other important factors that determine SCF. The same study concluded that there was a mediation effect of delivery dependability and time to market on the relationship between infrastructure framework and SCF (Al-Shboul, 2017). Gligor, Holcom & Stank (2013) in their study concluded that SCF depends on alertness, accessibility, decisiveness, swiftness, and flexibility. Alertness is the ability to rapidly notice changes, opportunities and threats; accessibility

is the ability to have correct data; decisiveness is the ability to make proper decisions at the right time; swiftness is the ability to implement decisions quickly; while flexibility is the ability to modify the range of tactics and operations to the extent needed. All of these factors depend on human capital and therefore can be harnessed through proper manipulation of HRM practices.

In addition, Cohen, Kulp & Randall (2007) found that SC behaviour is well enhanced by proper incentives to employees. Thornton, Esper & Morris (2013) proposed employee work behaviours important for supply chain relationship. These behaviours cannot be inculcated to employees without being addressed in the HRM practices and policies of the companies. Fu, Flood, Bosak, Morris & O'Regan (2013) in their empirical study concluded that HRM is a main enabler of supply chain performance via team formation and implementation. Ellinger & Ellinger (2014) in their conceptual paper aimed at addressing shortage of supply chain professionals conclude that required skills of SC professionals enhance performance of supply chain management activities. Marwah *et al.* (2014) in their study of human metrics affecting SC performance found that trust and commitment, joint strategy and planning, and transparency and honesty in information sharing were factors affecting SC performance.

Okeudo (2012) found that HRM practices such as training and development, recruitment and selection, reward management and performance appraisal were positively related with logistics capabilities such as integrated logistics services, information and communication technologies, flexible supply chain solutions and industry specific logistic expertise in Nigeria. Swart, Hall & Chen (2012) in their conceptual model of human performance in SCM showed that there was a possibility of HRM practices having a chance of influencing SC performance such as SCF, when taken in its holistic view. The literature review conducted so far highlights the fact that the HRM/SCF interface has received little attention by researchers, and that many of these studies are at their conceptual or incomplete stage. That means rigorous and systematic research is required. Based on these studies, this study investigated the effect of HRM practices on SCF, using Tanzania's hotel industry settings.

Therefore, following the preceding discussion, this study conceptualised that SCF depends on HRM practices as shown in figure 1. The study included selective hiring (SH), employee job security (JS), and compensation practices (CP), participation practices (PP) and teamwork practices as predictor variables, against SCF used as outcome variable. The conceptual framework adopted indicates that knowledge, skills, abilities, motivation and opportunity to participate by supply chain managers, directors, purchasing managers may influence SCF. The contribution brought about by these HRM practices is that employees with appropriate skills, knowledge, abilities, values and cultural fit are obtained through proper selective hiring practices. Thereafter, employees through job security and compensation practices get the support they need so as to fulfil the vision and mission of the companies. These give a lot of motivation to execute various organisational tasks and responsibilities and to be flexible to respond to uncertainties that arise in the SC. Again through participation and team work practices, employees are able to participate in various organisations' decision making forums to solve work-related problems and to organise work activities.

Figure 1: Conceptual Framework of the Study
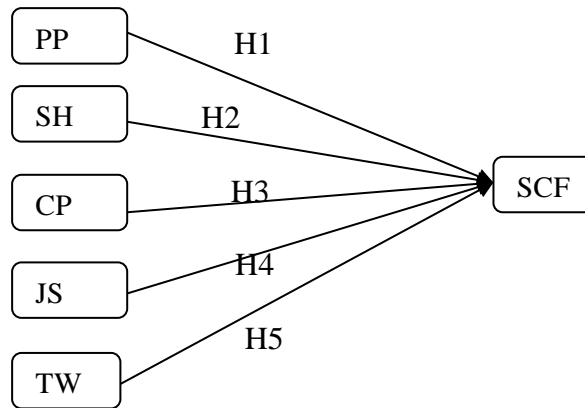
Participation Practices
Participation practices may influence SCF. HRM practices allow employees to make decisions together with the management on issues relating to cost, quality, operations and suggestions of improvement, which are important for the performance of the organisation. Amah & Ahiauzu (2013) through their correlational study affirm that employee participation has positive relationship with organisational effectiveness, profitability, productivity and market share. Park (2015) informs that organisational commitment is influenced by employee participation through perceived organisational support. This means that participation practices is an important concept in enhancing competitiveness of organisation. Huo, Han, Chen & Zhao (2015) add that participation practices influence internal integration, supplier integration and customer integration. Therefore, the following hypothesis was proposed:

 H1: HR participation practices have positive influence on SCF.

Knowledge, skills and abilities can determine SCF. Studies have shown that organisations obtain and possess employees with appropriate knowledge, skills and abilities through selective hiring practices. Selective hiring is an important practice that helps a firm to get the right people, with attractive qualities, knowledge and abilities. The purpose of selective hiring is to get employees that fit with organisational values and culture. Pfeffer (1998) argues that hiring the right employees, increases employee productivity, improves organisational performance and reduces employee turnover. Kim & Ployhart (2013) argued that selective staffing and internal training have positive relationship with firm profit growth through their impact on firm labour productivity. MacDuffie (1995) argues that in the RBV Theory, employees' skills mirror their rooted firm-specific knowledge and competencies, which are important for competitiveness and are unique for specific firms. This kind of knowledge helps firms to maintain supply chain flexibility. Therefore, the following hypothesis was proposed:

 H2: Selective hiring practices have positive influence on SCF.

Compensation practices can influence SCF. This is because compensation practices influence the motivation level of employees. The more employees are motivated the more they contribute to the success of the company. Namasivayan, Miao & Zhao (2007) in their study of compensation practices of management and non-management employees revealed that for management employees, there was a direct relationship between indirect compensation practices and hotel

performance; while for the case of non-management employees, there was partial relationship between direct compensation and hotel performance. Therefore, an appropriately designed compensation system that encourages individuals to increase productivity is a source of competitive advantage. This is due to the fact that individuals become more motivated and develop the passion to make more money. Therefore, the following hypothesis was proposed:

    H3: Compensation practices have positive influence on SCF.

Pfeffer (1998) opines that employee job security provides assurance, commitment and employee satisfaction. Job security is a two-way traffic. Firstly, a firm has to send a clear message that jobs are secure, then, employees must also believe that the message is true, correct and therefore believe it. Once employees believe that they will be satisfied with their jobs, they will put much commitment to the organisational activities of managing SC activities. Furthermore, Pfeffer (1998) opines that companies that recognise the importance of ensuring employee job security invest in it for the purpose of increasing performance. However, the extent to which employee job security determines SC performance can be influenced by factors such as worker characteristics, job characteristics, organisational change and job technology change. Literature shows that there is positive relationship between job security and SC performance. For example, Ahmad & Schroeder (2003) found that, among other factors, job security has indirect effect on operational performance through organisational commitment. However, another study by Michie & Sheehan-Quinn (2001) concluded that job security is negatively correlated with corporate performance when examining labour market flexibility in over 200 manufacturing UK firms. Also Kraimer, Wayne, Liden & Sparrowe (2005) found that perceived job security relates positively with benefits, perceptions and performance. Therefore, the following hypothesis was proposed:

    H4: Job security practices have positive influence on SCF.

Teamwork practices may influence SCF. Teamwork practices entail a group of employees who work together to achieve the same goals and objectives for purposes of achieving organisational goals such as customer satisfaction and firms' effectiveness. Teamwork comes in various formats such as self-directed work groups and problem solving teams (Hutchinson, 2013). Teamwork is very important as it helps employees to work efficiently by encouraging collaboration, improving employee relations, increasing accountability, and as a source of learning opportunities. All of these increase performance of organisations and supply chains. Agwu (2014) concluded that teamwork is positively related with employee performance in the Bonny Nigeria Liquefied Natural Gas Plant. Kelemba, Chepkilot & Zakayo (2017) believe that to enhance workplace democracy, change management, innovation and creativity enhancement and effective decision making teamwork practices are essential and that there is association between teamwork practices and employee performance.

In this case SCF can be enhanced because in a teamwork environment, employees in different organisations who are part of the supply chain collaborate to ensure that disruption and sudden variation of internal and external demands are accommodated. Ghorbanhosseini (2013) concluded that there is a positive relationship between team working and organisational commitment via human capital. Menon (2012) suggested that teamwork arrangements in organisations can increase customer focus which can be achieved by having teams for internal coordination, cross-functional teams and teams for external coordination with SC partners. This can lead to organisational ability

to respond to disruptions and change in demands. Therefore, the following hypothesis was proposed:

> *H5: Teamwork practices have positive influences on SCF.*

METHODS
Population, Sample and Data Collection
The population for this study was the total number of hotels operating in Tanzania that have been registered in the website https://travel.jumia.com; a site that shows the names of these tourist hotels, their location, price of services, and important contacts. Accordingly, jumia travel had recorded a total of 1,432 hotels as at August 10, 2017. Out of these, 536 hotels were classified as three-star, four-star and five-star hotels. Taking into consideration the focus of the study, that was to examine the influence of HRM practices on supply chain flexibility, only three-star hotels to five-star hotels were considered, making a population of this study to be 536 hotels. This was due to the fact that three-star to five-star hotels have great capabilities to have well-focused management practices, policies and procedures such as HRM practices and supply chain management practices, because these hotels are medium-sized to large hotels (Felix & Clever, 2014).

Furthermore, this study used a survey method as a strategy for data collection. The target sample was managers in tourist hotels who are involved in the day-to-day operations of the hotels in four regions of Tanzania: Arusha, Dar es Salaam, Kilimanjaro and Unguja Island. The choice of these locations was due to the fact that tourism activities are highly concentrated in these areas (Sanga, 2014; Wilbard, 2017). Before the questionnaire was distributed to the respondents, it underwent content and construct validity check. This was done through an interview with the operations managers, logistics managers, human resource managers, and procurement managers of hotels in Dar es Salaam. The information obtained was used in the pre-testing and piloting exercise. Pre-testing of the questionnaire was done by three managers from Golden Tulip, Serena, and Blue Pearl hotels and two other academicians in the field of HRM and SC management.

The piloting exercise was conducted with 50 hotel managers in Dar es Salaam using a convenience sampling strategy where information was obtained to revise and improve the instrument for data collection. The improved questionnaire was then sent to 341 hotel managers in Arusha, Dar es Salaam, Kilimanjaro and Unguja. However, due to unavailability of respondents and after data cleaning, 228 hotel managers participated in the study attaining a response rate of 66.9%. The information on sample size is presented in Table 1. This was considered sufficient for subsequent analysis because other researchers in nearly the same setting had obtained roughly the same response when surveying hotel managers (Peters & Buhalis, 2004).

Table 1: Classification of Hotels in the Sample Size and their Locations

Locations	Three-Star Hotels	Four-Star Hotels	Five-Star Hotels	Total
DSM	30	10	2	42
Arusha	42	12	2	56
Kilimanjaro	12	1		13
Unguja	78	33	6	117
Total	162	56	10	228

Variable Measurements

HRM practices considered in this study were based on the following dimensions: selective hiring, participation, compensation, job security and teamwork practices. As far as selective hiring practices were concerned, question items were adapted from the study by Boxall & Macky (2007), Wright (2003) and Sabwami (2015). Question items on participation and teamwork practices were adapted from Singh (2004) and Haines, Jalette & Larose (2010). Question items on compensation and job security practices were adapted from Albahussain, EIPgaraihy & Mobarak (2016). Responses to these items were on the likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

SCF was measured by adapting a measure by Cirtita & Glaser-Segura (2012). Other things that were considered included ability of the hotel to manage supply chain in terms of identifying, supplying and offering services, backordering, meeting customer service needs and ability to plan, source, make and deliver unplanned orders with minimum penalties. Again, responses to these items were on the likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

Reliability and Validity

The study performed a series of analyses to check the reliability and validity of the construct. The study tested reliability and validity of the construct following advice of Hair *et al*., (2010) by using Confirmatory Factor Analysis (CFA) and later calculating Average Variance Extracted (AVE) and Construct Reliability Estimates. All values calculated were higher than the recommended values (Hair, Black & Babin, 2010).

Convergent validity assessment starts with looking at EFA results whereby existence of convergent validity is when Eigen Value exceeds the threshold of 1.0 (Hair *et al*., 2010; Chen & Paulraj, 2004). The Eigen Value for the factors in this study ranged from 1.854 to 5.113. In addition, CFA provides loadings that are statistically significant and above the threshold value of 0.5, confirming convergent validity (Hair *et al*., 2010). The results in Table 2 indicate that CR values are greater than the recommended threshold of 0.7, hence indicating good reliability which indicates satisfactory internal consistency. In addition, Cronbanch alpha was also computed for each variable under study and the results are shown in Table 2. All values are above 0.7 indicating satisfactory internal consistency (Huo *et al,* 2015). Moreover, construct reliability for SCF, PP, CP, JS, SH and TW was computed using the formula given by Hair et al. (2010, p. 620)

Table 2: Standardised Factor Loadings, Average Variance Extracted and Reliability Estimates

Item	Description	Loadings	t-value	CR	α
SCF1	This hotel has the highest ability to identify and supply big volumes of services in appropriate time.	0.79	16.011		
				0.99	0.911
SCF2	This hotel has the highest ability to back-order stock items in appropriate speed.	0.87	19.42		

SCF3	This hotel has the highest ability to meet customer service needs at any time.	0.93	16.84		
SCF4	This hotel has the highest ability to plan, source, make and deliver unplanned orders with minimal cost penalties.	0.811	16.84		
PP1	Employees in this organisation are allowed to make decisions related to cost and quality matters.	0.895	15.35		
PP2	Employees in this organisation are asked by their superiors to participate in operations/production related decisions.	0.876	16.74	0.98	0.897
PP3	Employees are given the opportunity to suggest improvements in the way things are done.	0.817	15.35		
SH1	At this hotel employee recruitment is based on organisational values.	0.895	17.31		
SH2	At this hotel communication skills are emphasised during recruitment.	0.819	16.32		
SH3	During recruitment, individuals with computer skills are given priority.	0.891	19.14	0.99	0.917
SH4	This hotel prefers individuals with strong analytical skills during employee recruitment.	0.84	17.10		
CP1	At this hotel, the employee rewards system is based on job/task.	0.661	11.20		
CP2	At this hotel, the employee rewards system is based on job/task.	0.885	16.572		
CP3	At this hotel, the employee rewards system is based on job/task.	0.847	16.32	0.98	0.883
CP4	At this hotel, the employee rewards system is based on job/task.	0.855	16.57		
JS1	At this hotel employees are assured of on-the-job-training of skills related to their jobs.	0.868	21		
JS2	At this hostel employees can stay in one position as long as they wish.	0.961	23.23	0.99	0.930

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JS3	It is difficult to terminate employee services in this hotel.	0.888	22.23		
TW1	Management highly encourages teamwork spirit.	0.822	16.91		
TW2	At this hotel there are problem solving teams.	0.94	17.91	0.99	0.909
TW3	The hotel has developed an atmosphere where employees can form self-directed work groups.	0.877	18.91		

Note: t-values were significant at 0.01

Again, for discriminant validity, results in Table 3 provide the squared inter-construct correlation and AVE; all AVE results were greater than the squared value of inter-construct correlation suggesting that there was no problem with discriminant validity for the model with six constructs (Hair *et al.,* 2010).

Table 3: Discriminant Validity: Squared Inter- Construct Correlation ($R^{2)}$) and Average Extracted (AVE)

	PP	SH	CP	JS	TW	SCF
PP	1					
SH	0.01613	1				
CP	0.04203	0.030976	1			
JS	0.04709	0.005184	0.04623	1		
TW	0.00884	0.000016	0.00325	0.01877	1	
SCF	0.00348	0.042436	0.06864	0.04884	0.005041	1
AVE	0.751	0.742	0.671	0.824	0.783	0.732

RESULTS

Descriptive Statistics of the Results on HRM Practices and SCF

The findings in Table 4 imply that hotels to some extent allow their employees to participate, while SH practices did not receive much attention by hotel recruiters. Additionally, hotel managers agreed that hotels have low implementations of CP, JS and TW practices. Furthermore, SCF were found to be implemented by majority of hotels.

Table 4: Descriptive Statistics on HRM Practices and SCF

Constructs	Items	Disagree (%)	Neutral (%)	Agree (%)
Participation Practices.	PP1	38.1	11	50.9
	PP2	32.9	13.5	53.6
	PP3	31.1	14	54.9
	SH1	43	0.8	56.2

Selective Hiring Practices.	SH2	48.7	10.1	41.2
	SH3	46.9	7.5	45.6
	SH4	52.7		47.3
Compensation Practices.	CP1	68.5		31.5
	CP2	43.4	10.6	46
	CP3	42.9	6.2	50.9
	CP4	38.6	10.1	51.3
Job Security Practices.	JS1	64.1	0.8	35.1
	JS2	59.2	4.9	35.9
	JS3	55.3	8.2	36.5
Teamwork Practices.	TW1	54.4	7	38.6
	TW2	54.8	1.8	43.4
	TW3	52.2	2.2	45.6
Supply Chain Flexibility.	SCF1	15.3	3.1	81.6
	SCF2	18	5.7	76.3
	SCF3	14.5	1.8	83.7
	SCF4	15.3	11	73.7

Data Quality Check-up across Variables of the Study
Multivariate Analysis Assumptions
The study reports absence of missing data as respondents who did not fill the questionnaire were humbly requested to do so by the research assistants. Normality of data was checked by calculating skewness and kurtosis (Tabachnick & Fidell, 2012). Influential outliers were checked via standardised scores exceeding $z \pm 3$ using SPSS descriptive command and Mahalanobis distance (Mahalanobis d^2) using SPSS regression command. As a result of this exercise, 12 data sets were found to be outliers and were removed from the subsequent statistical analysis. Finally, multicollinearity was examined by checking inter-correlations among items that showed that they never exceeded 0.9 (Kline, 2011).

Correlations Analysis
Correlation analysis performed showed that constructs are not highly correlated and there is no multicollinearity as there was no correlation coefficient that exceeded 0.7 (Kline, 2011).

Two-way Analysis of Variance on Perceptions of SCF
In this study, hotels of different sizes were involved. Thus, two-way ANOVA was conducted where the outcome variables were SCF and predictor groups were hotel location and hotel ratings. The findings revealed that group differences exist among respondents categorised by location and hotel ratings. Location of the hotel and the interaction of location rating had significant difference in managers' perceptions of SCF.

Common Method Variance
This research used procedural techniques such as constructing question items carefully, pre-testing and pilot testing them; using previously validated measures, and using key informants who were knowledgeable on the subject matter. The statistical control method employed was the Harman's

single-factor test. The results showed one factor solution with six distinct factors, with Eigen Values greater than 1, and the total variance was 24.346% which is less than 50%, suggesting that CMV does not affect the data (Lages *et al.*, 2013)

Results of the structural relationship between hrm practices and scf

Using the maximum-likelihood estimation method in Structural Equation Modelling (SEM), the study estimated the proposed relationship in the proposed model as shown in figure 2. First, the measurement model was tested and then the structural model using AMOS as suggested by Anderson and Gerbing (1988). The findings on the goodness of fit indicated that Chi Square = 352.393 with degrees of freedom = 174, RMSEA = 0.067, NFI= 0.905, CFI= 0.949, RFI=0.886, PRATIO =0.829, PNFI =0.750, PCFI = 0.787 and SRMR = 0.0523 better than the proposed benchmark by Hair et al., (2010). These results suggest that the model is accepted and it is able to explain the relationship between SCF and HRM dimensions.

Figure 2: Structural Relationship between HRM Dimensions and SCF
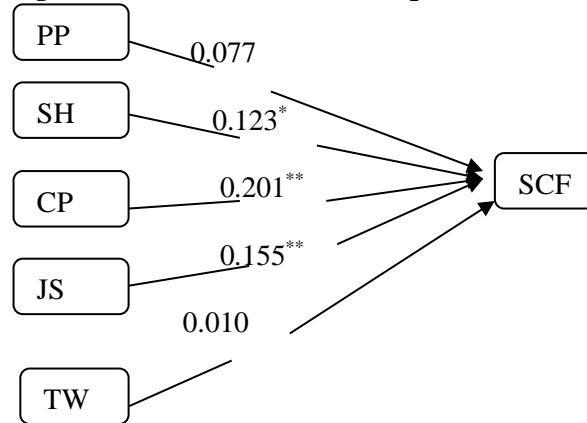
Note: * P<0.05, ** P<0.01

Additionally, Table 5 indicates hypotheses testing results to check whether the proposed relationships by the model above are statistically significant. Results show that PP influence SCF negatively; however, this relationship is not statistically significant (path coefficient = 0.177, t-value = 1.266, p - value =0.205). SH practices positively influence SCF and the relationship is statistically significant (path coefficient =0.123, t-value = 2.331, p-value = 0.020). CP positively influence SCF and the relationship is statistically significant (path coefficient = 0.201, t- value = 3.220, p-value =0.001). JS practices positively influence SCF and the relationship is statistically significant (path coefficient = 0.155, t-value =2.888, p-value = 0.004). TW practices positively influence SCF; however, the relationship is not statistically significant (path coefficient = 0.010, t-value =0.176, p-value = 0.860). Therefore, the study has established that SCF in tourist hotels is influenced positively by proper implementation of selective hiring, compensation and job security practices.

Table 5: Hypotheses Testing Results

Hypothesis	Path	Path Coefficient	Std Error	t - values	P-value	Remarks
H1	PP → SCF	0.077	0.061	1.266	0.205	Not supported
H2	SH → SCF	0.123	0.053	2.331	0.020*	Supported
H3	CP → SCF	0.201	0.062	3.220	0.001**	Supported
H4	JS → SCF	0.155	0.054	2.888	0.004**	Supported
H5	TW → SCF	0.010	0.058	0.176	0.860	Not supported

* $P<0.05$, ** $P<0.01$

DISCUSSION
Selective Hiring Practices
The findings show that SH practices positively influence SCF. The importance of SH practices is to make sure that organisations get employees with the required skills, knowledge, abilities, right values and culture as these improve performance such as SCF (Pfeffer, 1998; Kim & Ployhart, 2013). This is important as employees are at the core of everything in organisations, as they facilitate and respond to changing SC systems as current business needs. This finding is consistent with findings by Singh and Acharya (2014) who concluded that SCF is influenced by flexibility in delivery, volume, demand, coordination and information system. Central to these categories of flexibility lie human elements such as skills, knowledge and abilities.

In addition, the findings are consistent with the findings by Dhiaf *et al*. (2012) who advise that to enhance supply chain flexibility in both intra- and inter-firm, an organisation needs to have HRM practices that enhance skills, knowledge and abilities that can be redeployed quickly to meet changing needs of customers. This can be in terms of skills, functional, behavioural and HRM practices. In addition, the findings are consistent with findings by Okeudo (2012) who reported that recruitment and selection that emphasise skills, knowledge, abilities, cultural values and organisational fit enhance performance and flexibility in terms of meeting customer needs in real time. Recruitment and selection enable business firms to acquire the appropriate human resources in line with its aims and objectives (Dessler, 2013). Effective hiring also allows firms to respond to market opportunities and threats, in a proactive manner, in dynamic markets.

The findings of the study supported that CP positively influence SCF. This is because, for firms to be flexible, it means that additional duties and tasks must be performed by employees in the case of emergencies or customer needs that were actually not planned for. This finding is consistent with the findings by Menon (2012) who reported that satisfaction with SC performance is attributed to specific HR practices such as flexible job descriptions, teamwork, training, and performance metrics linked with reward systems of the organisation. In addition, the findings of the study are consistent with the findings by Gowen & Tallon (2003) that to enhance SC practices through HRM, companies must encourage support from employees and management support to employees so as to remove barriers in the implementation of SC management practices. Management support to employees means that hotels must be able to provide fair rewards to

employees, based on their jobs/task, experience, and team performance. Also, management should encourage a culture where all employees discuss their reward systems with management at a particular interval of time. The finding is consistent with Namasivayan *et al.* (2007) who reported that management and non-management employees' compensation has significant effects on hotel performance such as SCF.

The study has also found out that JS practices positively influence SCF. Job security practices include employees' assurance of training of skills related to their jobs, keeping their positions, and fair procedure of termination of employee services. If these practices are carried out openly, then SCF should be attained. This is because employees will have skills, confidence of performing their duties and will be highly motivated to perform according to the vision and mission of their hotels. This finding is consistent with the findings by Pfeffer (1998) who reported that successful organisations need to embrace seven organisational practices, namely, job security, selective hiring, compensation contingent on performance, self-managed teams and decentralisation of decision making, reduced status differential and information sharing. Accordingly, JS motivates employees to dedicate bigger efforts to organisational vision, mission and objectives. Therefore, employees who are assured of their employment are more likely to respond quickly to SCF dimensions such as identifying and supplying big volume of services, ability to backorder stock, ability to meet customer service needs and ability to plan, source, make and deliver unplanned orders at the required time and minimal cost penalties. This finding is consistent with the findings by Imran, Majeed & Ayub (2015) who reported that organisational productivity is likely to increase when management ensures JS and organisational justice.

In addition, the findings are consistent with the AMO Theory (Appelbaum *et al.*, 2000). The AMO Theory postulates that superior performance of firms is a function of employees with appropriate skills, who are highly motivated and are given opportunity to perform. Since the findings have shown that SH practices, JS and CP are related positively with SCF, the results are consistent with the theory. Furthermore, the findings are consistent with the RBV Theory (Barney, 1991). This is because competitive advantages of firms are attained when firms have unique resources and capabilities that are firm-specific and which cannot be easily copied by other firms. Therefore, firms' ability to exert SH practices means that they will be able to acquire employees with appropriate skills, knowledge and cultural fit ready for their business environment. In addition, firms with the ability to exert JS practices and CP mean that those acquired employees will be retained and motivated to perform as far as company vision and mission are concerned.

Theoretical implications
Responding for more research on the HRM/SCM interface (Fisher *et al.*, 2010, Hohenstein *et al.*, 2014; Huo *et al*, 2015), this study contributes to available literature in a number of ways. Firstly, very few studies have been done on the effects of HRM practices on SCF. This study fills this gap by providing empirical evidence on the relationships between HRM practices that aim at bringing new employees with appropriate skills, knowledge and cultural fit via SH practices. It is also necessary to motivate these employees via JS and CP for the purpose of ensuring that hotels perform better and later SCF. In this way, managers play important roles when exerting these practices to their organisations so as to nurture the required skills, knowledge, abilities and cultural fit. In reciprocating, managers have a duty to ensure that employees get the necessary support through CP and that employees keep their job positions. In fact, HRM practices and SCF are

strategies if we borrow from McAfee, Glassman & Honeycutt (2002) and Shub & Stonebraker's (2009) ideas. Therefore, this study sheds light onto the HRM/SCF interface.

Secondly, Winkler (2010) made it clear that future research should focus on practical implementation of strategic SC network and how these SC configurations are influenced by modern leadership. In addition, it is important to respond to the call for more research in the hotel industry Bressciani *et al*. (2015), and Wilbard (2017). This study examined the determinants of SCF from HRM perspectives in the hotel industry in Tanzania. The study has found that to achieve SCF in organisations, human resources support is very important and these come in the form of skills, knowledge and abilities these employees have, to explain the ability of the organisations to respond to any uncertainties it may face when serving customers. Again, central to this is JS and CP that act as motivator to trigger and win employee skills, knowledge and abilities to the full.

Thirdly, the study has managed to test two theories: RBV and AMO, and the results have been consistent with such theories.

Fourthly, although the conceptual framework was tested only in one industry, the hotel industry, the results show that SH practices, JS practices and CP are significant in explaining SCF in hotels while PP and TW practices were not significant in explaining the SCF of hotels in Tanzania. Therefore, this calls for more research to be done in other industries, to compare the results.

Managerial Implications
Scholars have agreed that human elements in the supply chain management are very important for competitive advantage of the companies (Ellinger & Ellinger, 2014, Hohenstein *et al*., 2014; Huo *et al*, 2015). Therefore, managers in companies have to appreciate and see the importance of harnessing the potential of human capital for the success of their companies. These results contribute both to HRM and SCM by illustrating that SCF can be enhanced by leveraging HRM practices. This is critical as SCF can be viewed from many angles such as HRM practices suggesting that SCF is a multidimensional construct (Elgazzar & Elzarka, 2017). Therefore, managers of hotels and other organisations are encouraged to bring in employees with the required skills, knowledge and cultural fit and later motivate these employees through JS and CP to harness their potential. Generally, the study draws a number of managerial implications as discussed in the sections that follow.

First, this study contributes to the knowledge of both HRM and SCF by showing that SCF can be improved by leveraging HRM within and across hotel supply chains. This implies that SCF issues can be explained from HRM perspectives. This would require HRM managers to assume responsibilities of operational practices such as SCF, so SC managers are required to assume responsibilities of the HR managers. Similarly, the business environment is not constant as there is fierce competition in the market, therefore employees should be treated well. Managers at all times should encourage building relationship with employees inside the organisation and those outside the organisation. The study finds that when HRM and SCF are designed on relationship bases, strategic fit is created. This strategic fit enables the hotel to attain SCF which is an important aspect to ensuring customer satisfaction and enhancing guest experience (Gonzalez-Loureiro, Dabic & Puig, 2014; Huo *et al*, 2015).

Second, managers are encouraged to appreciate the importance of SH as it enables them to acquire employees with appropriate skills, knowledge, abilities and who are culturally acceptable. SCF configurations require members of the SC to be knowledgeable enough. Managers are required to place great emphasis on recruiting employees who have appropriate skills such as communication, information and communication technology, and analytical skills. These skills are important for enhancing SCF in the hotel business because such employees will be able to address SCF issues such as internal and external disruptions, backorder items, meet customer service needs at any time and be able to plan, source, make and deliver unplanned orders with minimal cost penalties.

Third, compensation practices in the hotel industry have, for long time, been cried out by employees who complain that hotels have been paying their employees very little. Motivation of employees remains to be one of the most important aspects in achieving the success of the business outcome; therefore, managers have to design incentive systems consistent with success of supply chain flexibility. That is creating an incentive system that provides fairness to all employees. This will happen when sound policies are developed in collaboration with supply chain managers to ensure that jobs, tasks, experience, teamwork and culture are considered during designing the incentive systems. Similarly, job security offers an important motivation because it builds employee confidence and trust that their positions within the organisation are there to stay for some time. The hotel industry is faced with low implementation of job security practices in such a way that employees cannot predict their stay with the hotels. This distorts the employee morale which has repercussion to creativity and innovation that are important for the implementation of supply chain management activities such as SCF.

CONCLUSION

The study results provide both knowledge to theory and practice on the HRM/SCF interface and give significant guidelines to managers in HRM and SCM fields. Although the study is important, it still suffers from some limitations. First, only five HRM practices were considered in the study although the HRM discipline contains so many HRM practices; as such, no single study can accommodate them at a go. Second, although the study found that participation practices and teamwork practices do not show a significant relationship with SCF, this could be attributed by the cross-sectional nature of the study which tends to capture the respondents' opinions at a given period of time. This may bring different results for example when a longitudinal approach is used.

Third, this study used self-reported data from hotel managers, which suffers a self-report bias. However, future studies on the area of HRM/SCF interface, should consider collecting raw data using the longitudinal approach to extend this research stream. Again, although this study has found out that selective hiring practices, job security practices and teamwork practices are positively related with SCF, future study could use these practices in other service institutions such banks, schools etc., to compare results. Future studies could use other HRM practices on SCF to bring better insights on the HRM/SCM interface.

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