

The Competitive Advantages of Organisations in Zimbabwe's Hospitality Industry: A Case of Two Organisations

¹Farai Ncube; ¹Peter Sibanda and ²Langtone Maunganidze

¹Department of Human Resource Management,
Midlands State University.

²Department of Sociology,
University of Botswana, Gaborone.

Corresponding Author: Farai Ncube

Abstract

The Zimbabwe economy has recently been plagued by various forms of industrial fragility characterized by unprecedented hyper-inflation, low levels of investment and under capitalization in many sectors particularly the hospitality industry following the hotly contested land reform program in 2000 and series of disputed parliamentary elections that followed. However the situation has improved following the formation of the Government of National Unity (GNU) in February, 2009 and the adoption of multi-currency system to arrest the shortage of foreign currency and restore stability in both productive and consumption sectors of the economy. One such sector has been the hospitality industry, which represents one of the fastest growing sectors in the country. Since then there has been an improvement in performance in the sector as evidenced by increased Food Covers, Average Room Rates, and Average Spent per Cover and Revenue per Available Room. This article uses the Co-evolution Theory to explore the determinants of competitive advantage in the hospitality sector in Zimbabwe specifically focusing on two groups of hotels from which we selected one per group herein labeled hotels A and B. The research design was predominantly qualitative and data was collected using interviews and questionnaires distributed to 100 participants selected by stratified availability sampling. The major findings indicated that while service delivery, hotel location, hotel capacity, hotel products and pricing and infrastructural capabilities were considered generic drivers to competitive edge, people issues particularly employee engagement, were central to the equation. The article recommends for more focus on swift service delivery, massive training, good customer care, recapitalisation, IT focus, product differentiation and the provision of flexible rates to sustain competitive advantage. Thus the paper strongly challenges companies in the hospitality industry in Zimbabwe to take note of the potential the industry has in determining the future of the country as a major revenue centre and equally equip managers with arsenals to ensure a competitive edge for enhancing the shareholder wealth.

Keywords: competitive advantage, hospitality industry, and Zimbabwe.

INTRODUCTION

During the periods 2000 to February 2009, Zimbabwe has been under siege experiencing its most acute state of economic vulnerability, when an unprecedented hyperinflation led to the abandonment of the Zimbabwean dollar and de facto widespread American dollarization (IMF 2010). Macroeconomic conditions had deteriorated following the imposition of sanctions, culminating in hyperinflation and the collapse of the national currency (Barungi and Davies 2010). According to the Confederation of Zimbabwe Industries (CZI) (2009) and Central Statistics Office (CSO) (2008) year on year inflation exceeded 1 000 percent in 2006 and to an estimated over 2 million percent in July 2008 and peaking to as high as 231million percent by end of 2008 (IMF 2010) forcing authorities to stop even publishing inflation figures. This economic meltdown directly and indirectly affected many key sectors of the

economy particularly manufacturing, mining and hospitality.

According to IMARA Investing in Africa Securities (2011) the hospitality industry was badly hit before 2009, with a generally poor performance as indicated by, among other factors, low occupancy rates (with worst case scenarios of 10%), low Average Daily Rates (ADR) and Revenue per Available Room (RevPAR). In 2010, however performance started to pick up, backed by recovery in tourism trends in line with the improving local and global economies. The situation stabilized a bit particularly after the coming in of the Government of National Unity on 13 February 2009, and compounded by the official adoption of the multi-currency system. This marked an end to the 10 years of hyperinflation characterized by acute foreign currency shortages and low investment among other things. Since then the

hospitality sector has shown significant signs of recovery. Indeed the Zimbabwean hospitality industry had also passed through long fallow periods in terms of business, characterised by poor room occupancies and covers, which affected the expected revenues, to a serious skills flight problem, leading to poor service delivery and customer satisfaction in general. The sudden changes in the political economy created a favorable recovery path for the industry for local clients, regional and international visitors. This was largely compounded by the much publicized World Cup hosted by South Africa in 2010, which was anticipated by Zimbabwe and other regional countries to have some spillover effects. Such optimism of course resulted in new players entering the industry hence creating competition for both products and markets. Given these and other dynamics, this research was focused on investigating major determinants of competitive advantage in Zimbabwean hotels.

BACKGROUND OF THE STUDY

As the Zimbabwean situation improved post the adoption of the multi-currency system in 2009, business has dramatically improved. The sector witnessed new lodges mushrooming in different cities and towns, new hotels entering the market, new players in the fast food industry, equally providing excellent services. Hotels equally recapitalised to ensure their survival, and most hotels were face lifted. According to the 2010 IMARA Survey major groups within the country made frantic efforts to stay afloat, with Cresta Hospitality undertaking refurbishment work on its Cresta Lodge hotel which according to IMARA estimates could amount to US\$5m. The group is also undertaking a project to construct a conference centre at the Cresta Lodge. Furthermore, there is a suspended project to increase conference facilities and number of rooms at Cresta Churchill Bulawayo. For Meikles Limited, the group is planning to refurbish its two local hotels. The research indicates that funding of US\$ 5m has been secured for the Meikles Hotel while the Victoria Falls project will require US\$ 6m. Other players like the RTG and African Sun are equally in the race embarking on various projects as well. Resultantly competition has become the order of the day. Against this background the research sought to find out the major determinants of competitive advantage in service delivery in Zimbabwean hotels, through limiting itself to two hotels representation two different groups A and B, major players in the industry.

The 2010 research on Zimbabwe's tourism state, which nonetheless affects the hotels greatly by IMARA, indicates that tourism demand derives largely from consumer theory which asserts that the optimal consumption level depends on consumer's income, the price of goods in question, the price of

related goods and other demand shifters. The research further indicates that supply forces on the other hand include, supply of accommodation. As such then, the attractiveness of the destination and attractiveness perceptions of those being targeted by the particular destination are significant determinants of competitiveness. Indeed supply was adversely affected by the dire economic situation prior to 2009, as no new lodgings were constructed while the existing facilities were not adequately maintained. Against such background, the poor image of the country by Western countries which issued warnings to international visitors led by US, and Germany equally soiled the Zimbabwean tourism industry and as such hotels were hard hit.

Indeed as indicated earlier on the Zimbabwean hospitality industry is developing tremendously as evidenced by an increase in revenues earned between 2009 and 2010. In 2009 the country earned US\$523 million with 2 million arrivals and in 2010 the earnings increased to US\$770 million from 2.3 million international arrivals as reported by the Financial Gazette of Thursday 31st of March 2011. This development actually started around 2009 soon after the dollarization of the economy. Notably the research by IMARA highlights that the number of visits were on the increase from 2008. The following table indicates the development overtime and the purpose of the visits:

Fig 1: Purposes of Visits in Zimbabwe.

Purpose of Visit	2008	2009	2010	Percentage (%)
Business	119,720	126,215	135,681	8
Education	9,189	9,433	9,952	5
Shopping	9,969	10,052	10,273	2
Holidays	1,809.83	1,864.12	1,957.33	5
Other	6,888	7,439	7,885	6
Total	1,955,594	2,017.26	2,121,121	5

Source: ZTA: IES (IMARA)

Against this background companies in the hospitality industry especially in the hotel business have recorded a significant increase in terms of their market share, average room rates and food covers. However competition for business is the order of day, with each institution seeking to return clients, through offering excellent service and providing a memorable experience for customer attraction and retention. Every service has the responsibility of meeting customer expectations in what and how they deliver that service. Given such harsh reality it is only those companies that manage to do this which can enjoy a competitive advantage.

CONCEPTUAL AND THEORETICAL ISSUES Defining Competitive Advantage in the Context of Hospitality Sector in Zimbabwe

Porter (1985) defines competitive advantage as the ability of a company to make products that provide

more value to the customer than rival products, leading to higher sales and higher profits for that company. This in service delivery is very critical, because for a hotel to be competitive its products should have value in the eyes of the customer, the rooms should be extraordinarily good, the food excellent, the conference rooms striking and the general ambiance extra-ordinary, and the staff cheerful. As such for individual firms, competitiveness can be viewed as the ability of a firm to survive and prosper, given the competition by other firms for the same profits, which is therefore the main objective of the research to find the major determinants of competitive advantage. The competitiveness of a firm is the result of a competitive advantage relative to other firms.

Competitive advantage can also be viewed as the value an organisation is able to create to differentiate itself from its competitors, Dubé & Renaghan (1999). As such this becomes a critical factor in Zimbabwean hotels since the value that is created by an organisation is measured by the price customers are willing to pay for its particular service, Passemard & Kleiner (2000). Interestingly Wood (2004: 59) further suggests that "...if customers perceive the service as producing the required benefits, they will purchase that service, and, more importantly, will continue to do so over time...", a fact that explains the current situation in Zimbabwean hotels, as a way to make sure that there is continuity, in terms of business. Indeed the major players in the industry include, the Cresta Group, African Sun, RTG Group, Meikles and other players. According to the research by IMARA in 2010 the above groups had the following levels of market share:

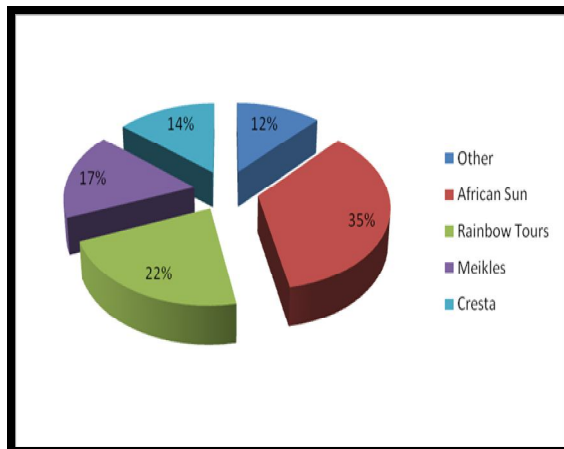


Fig 2: Hoteliers Market Share 2010

Source: ZTA; IES

Hitt et al (2001: 5) viewed competitive advantage, and sustainable competitive advantage, as more or less synonymous. The authors defined it as 'something' that occurs when an organisation puts a value-creating strategy in place. This should be a

strategy whose benefits cannot be copied, or which would simply be too expensive to copy. Indeed for a company to be competitive it should have a different strategy in place altogether and be successful. In that regard people management and the creation of a company specific culture can give a company a competitive edge. Anderson and Vincze (2000: 76) further defined sustainable competitive advantage as the ability to be successful over time. Success is based on the organisation's ability to rely on the skills and assets it owns. According to Chaharbaghi and Lynch (1999), sustainable competitive advantage meets current competitive needs without harming the ability of the organisation to meet its future needs.

Kim & Oh (2004) are of the opinion that the competitive advantage of an organisation is the result of the resources that the organisation has developed internally. Such an argument has also been pursued by Brewster, Dowling, Holland, Grobler and Warnich (2000) who indicated that all companies have resources that constitute their strategic assets and which, if utilized effectively, can enhance the competitive advantage of a company in the globalised world. In the same vein, Barney (1995) notes the various types of capital resources that may be identified with an organisation; that is financial capital, physical capital, human capital and organisational capital. This resource based view (RBV) is critical in that it acknowledges the uniqueness of organisations resources which create competitive advantages as opposed to the traditional strategy models which assumed homogeneity of resources and their mobility across companies within a particular industry. Traditional strategy models are industry oriented and look at characteristics that can make an industry unique.

According to Ehlers and Lazenby (2003), industry characteristics are enduring variables that give the industry a distinctive competitive advantage and can be examined under the following variables

1. Concentration - the extent to which the industry sales are dominated by a few organisations.
2. Product differentiation - the extent to which customers perceive goods and service offered by organisations in an industry as a different from one another.
3. Economies of scale - the savings that an organisation achieves within an industry due to increased savings.
4. Market growth and dynamism - these elements are important in terms of reducing organisation inertial tendencies

As with all organisations, hotels differ in terms of the resources that they possess or have access to. However, there are intra-variations within the industry to the effect that the competitive advantage that a hotel possesses depends, thus, on how the hotel

develops and employs its resources, amongst these its human capital resources. A chain of hotels might, for example, gain competitive advantage through a flawless reservations system developed for the chain. Barney (2002:9) suggests that, “a firm experiences competitive advantages when its actions in an industry or market create economic values and when few competing firms are engaging in similar actions”. Barney (2002:10) goes on to tie competitive advantage to performance arguing that, “a firm obtains above-normal performance when it generates greater than expected value from the resources it employs”. Competition is at the core of the success or failure of firms. Competition determines the appropriateness of a firm's activities that can contribute to its performance, such as innovations, a cohesive culture, or good implementation. Competitive strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs.

Choi & Chu (2001) equally indicated that organisations now continually seek new ways to acquire, retain and increase business, because the cost of losing customers is rising. Service is an important factor in retaining clients. The role of service is more important than ever, and is expected to become even more critical with time. Hotels that have the ability to attract, satisfy and thus retain customers are more likely to survive than hotels that do not do so. Storey (1989) suggests that once management believes in their employees and assume that results are obtained through them, the company can then create a platform for competitiveness and organisational effectiveness. In this regard employees who provide service matter in giving a company its competitive edge. Employees can either make or break the company because of their direct interaction with the customers.

Co-Evolutionary Theory and Competitive Advantage

Co-evolution involves simultaneous evolution of organizations (or unit of evolution) and their environments-comprising other organizations and entities- where the former influences the latter as well as vice versa in a continual and interactive process (Lewin and Volberda 1999). The macro and micro aspects of coevolution coexist and differ in the manner and speed at which it occurs, what is referred to as speed differential (Madhok and Liu 2006). Co-evolutionary theory discusses the confluence of forces from the environment and the capacity of management to shape the environment. Changes that happen at the external environment have an impact on micro environment operations and activities. Porter (2006) indicated that co-evolution's “fundamental premise is that entities or organizations evolve in relation to their environments while at the same time these environments evolve in relation to

them”. This argument is also supported by Burton, Ericksen, Hakonsson and Snow (2006) who assert that that high performance results from a strong external fit between the firm's overall strategy and its environment, and a tight internal fit among capabilities, structures, processes and management. For example, a change in the economic landscape has a bearing on the financial wellbeing of human resource of an organisation which ultimately impact on the products and services. However, on completion, products or services are channeled back to the macro environment for consumption.

The macro aspect refers to the external environment whilst the micro aspect is the internal environment. The macro environment is characterized by factors outside the organization which consequently, impact on the internal environment. The effects of changes from the macro environment whether positive or negative affect competitive advantage of an organization. The competitive advantage trajectory of hotel A and B sector is driven by the simultaneous interplay of external macro-coevolution and internal micro-coevolution, and the resultant influence on their internal capabilities. As regards macro-coevolution each hotel's competitive advantage is sustained by its ability to effectively provide value-adding service that ensures it retains its particular niche. Internal micro-coevolution reflects the co-evolution of intra-firm (hotel) resources, capabilities and competencies (Lewin and Volberda 1999). During the economic meltdown there was tension between the macro and micro aspects of coevolution thus negatively impacting on competitive advantage. However, as we see it, the success story of these hotel groups was a story of micro-evolution outpacing macro-evolution. It shows how management at the two groups approached the condition of *speed differential*. Management's task is to achieve ‘fits’ or balances with the environment.

METHODOLOGY

This article uses the Co-evolution Theory to explore the determinants of competitive advantage in the hospitality sector in Zimbabwe specifically focusing on two groups of hotels from which we selected one per group herein labeled hotels A and B. The research design was predominantly qualitative and data was collected using interviews and questionnaires distributed to 100 participants selected by stratified availability sampling. In terms of the sampling procedure the research focused on the stratified random sampling for all groups, to ensure a more representative sample. Data was collected through interviews and questionnaires distributed to 100 participants from the two hotels under study. Secondary data was also used to gather the necessary information, mainly through memos, minutes and company magazines. Two mixed methods of data analysis, the thematic approach and analytic

comparison techniques (Newman 2007) were used to provide a comparative presentation

FINDINGS AND DISCUSSIONS

Determinants of Competitive Advantage in the Hospitality Industry

Employee Engagement and Customer service

The analysis of research findings indicates that the major determinant of competitive advantage in both organisations is the presence of engaged employees who provides good customer service. In today's competitive environment, excellent customer service is becoming the core competitive advantage in the hotel industry. From the responses from both hotels A and B management and staff highlighted that the major determinant of competitive advantage in the catering industry is excellent customer service provision which comes through having a fully engaged workforce. The same view was equally echoed by Zhang (2008:60) who suggested that, *"excellent service of hotel is embodied in the service process of service employee for their customers"*. Therefore the quality of service employees has a direct impact on the service delivery of both hotels.

The above observation from both organisations is critical for a thorough understanding and appreciation of the hospitality industry. Employee engagement is critical towards the success or failure of service provision. Engaged employees are psychologically committed to their roles. Indeed 60% of Hotel B managers indicated that good customer care offered by their employees has been their bedrock of competitiveness, against 50% of hotel A management. Konrad (2006) supported this view by concluding that engaged employees are more likely to display discretionary behavior, normally referred to as organisational citizenship behaviors (OCB), Purcell (1995) in Armstrong (2003). He goes on to argue that engagement has been found to be closely linked to feelings and perceptions around being valued, involved which in turn generates the kinds of discretionary effort that lead to enhanced performance. According to Baron, Bryn, Naylerand and Brescombe (2006:544) *"...satisfied employees are the ones who engage themselves in discretionary or pro-social behaviour that edify the effective functioning of the organisation..."* From the research findings it was observed that hotel B is performing better than Hotel A due the presence of an engaged workforce, their service is better off, since their employees are more connected to the organisation which allows them to produce a more discretionary behavior, as evidenced by information from secondary data showing the market share with hotel B having 43.7% as compared to A which had 14.6% of the market share and other players sharing the remaining 41, 7 %.

Responses from both hotels suggest that customer - employees contact and those supporting behind the scenes is critical for the success of any service organisation. Hoque (2000) suggested that frontline employees are viewed as the organisation's most important asset being capable of achieving and sustaining competitive advantage. In this regard both hotels strive to keep their front line employees motivated for them to create an everlasting impression. From the research findings on non-managerial employees' levels of engagement hotel B is better placed as compared to hotel A employees, as evidenced by responses from their non-managerial staff who undoubtedly indicated their value addition to the organisation. As such hotel A has more to achieve if the organisation is to compete shoulder to shoulder with hotel B, in terms of delivering excellent service, it cannot be achieved with a demoralised workforce, but with a fully engaged workforce that will always thrive for excellent service provision. In the hospitality industry this is what gives a competitive advantage, and both respondents from the two groups confirmed.

The hospitality industry depends greatly on the service provided by its employees, who can either make or break the organisation. It is through engaged employees that good customer service can be provided. Customer care heavily and highly depends upon the behavior and attitude of employees. Employees with bad behaviors can affect service delivery and in the process fern away customers. It seemingly convincing that hotel B employees are well behaved which account to the organisation's success as compared to Hotel A. The same sentiments were echoed by Wood (2004) who further suggests that if customers perceive the service as producing the required benefits, they will purchase that service, and, more importantly, will continue to do so over time. Notably, findings from both hotels confirmed that keeping a well motivated and engaged workforce really gives an organisation a competitive edge. What differ are the levels of engagement, levels of motivation and levels of commitment but engagement as a principle has been highly embraced by both groups.

People have become the primary source of competitive advantage. Walton (1985) supports this assertion by suggesting that frontline employees are viewed as the organisation's most important asset, being capable of achieving and sustaining competitive advantage. This was equally echoed by Vance (2006) who highlighted that the product of a company can be easily copied, technological edge fleeting, and more facilities can be built, but the quality of the organisation's talent, its passion and commitment is nearly impossible to replicate. Engagement equally becomes the fuel that derives the value of intangible assets, hence giving a company its

competitive advantage. Both companies understood the significance and contribution of employee engagement to competitive advantage. Thus engagement becomes the primary enabler of successful execution of any business strategy and in the case of hotel B it has been very fruitful as compared to Hotel A.

Walton (1985) suggest that engaged employees work harder, are more loyal and are more likely to go the 'extra mile' for the corporation. High levels of engagement at hotel B have promoted retention of talent, foster customer loyalty and improve organizational performance and stakeholder value. As such from the findings from hotel B seem to enjoy a greater percentage of the market share through having a fully engaged workforce. Employee engagement has emerged as a critical driver of business success in today's competitive marketplace. Further, employee engagement can be a deciding factor in organizational success. Not only does engagement have the potential to significantly affect employee retention, productivity and loyalty, it is also a key link to customer satisfaction, company reputation and overall stakeholder value, and as such hotel A has a lot of work to do to make sure they get their employee's morale and trust.

Pricing

In any organisation pricing plays a critical role determining whether clients will come back for the product or not. Dwyer et al (2000) suggests that the price competitiveness of a destination depends on the respective prices of the goods and services that cater to clients needs. In this regard the perception of value becomes essential. In both cases management and their employees indicated that pricing is a critical factor of competitiveness. However 60% of respondents from hotel A indicated that the group had prices set by head office and in most instances the business unit had no control over pricing. As a result 20% management indicated that they were losing out in terms of business mainly Non Governmental Organisations (NGOs) suffering from poor funding. These groups mainly call for the lowest price that can be offered and hotel A management on many instances finds it difficult to adjust the rates, opting to keep an empty hotel, against fixed costs such as rentals, utility bills and salaries.

On the other hand 80% of hotel B managerial and non-managerial employees indicated that, their policy was fair enough allowing them to adjust rates at any given time but with a minimum level to meet different customer demands. However respondents from hotel A indicated that irrespective of the draw back in terms of rates adjustments, they always emphasised value for money through offering an excellent service to clients. Indeed by itself, price is a meaningless indicator if not taken in context with the

corresponding quality of a product as echoed by Buhalis (2000). As such hotel A respondents indicated that in most cases rates are not an issue though of course on major groups that normally stay long and having high numbers they always prefer the lowest rates. In this case respondents from hotel B indicated that they had actually taken a number of groups from hotel A, simply because many Non Governmental Organisations prefer the lowest rates. The main reason being that on most cases the participants from these groups will be coming from, the lower class, who will be interested in serving their daily allowances, for them to take money home, so at times they don't mind quality of a product but the price being offered and surprisingly at times visitors may be prepared to trade quality of experiences for lower prices as supported by Buhalis, (2000). Providing value for money is one of the key challenges facing any hotel destination. He further concludes that a wide range of pricing techniques are available to tourism firms and organisations, but regardless of what actual prices may be, it is ultimately visitor perceptions of those prices and of value that count.

Capacity

Over and above pricing, employee engagement and good customer service the researcher observed that the other major determinant of competitive advantage in the hospitality industry was the hotel capacity. Responses from Hotel B suggested that it largely derive its competitive advantage from its capacity to hold large groups, with 8 conference rooms. Indeed capacity to hold big groups is very critical towards competitiveness. On most cases clients really do prefer to be staying at the same hotel when having a conference than to spread all over the town. This nonetheless in my view has contributed towards hotel B gaining a significant proportion of the market share. Unlike hotel B with 180 rooms and 8 conference rooms' hotel A have 50 rooms and 3 conference rooms. Its capacity is very small and as a result despite good customer service many groups conferencing prefer the hotel B. This has resulted in hotel A losing business and has affected the profitability of the hotel. Hotel A management is actually preparing to add more conference rooms and rooms and the project will be completed by 2015.

However 50% of respondents from Hotel A irrespective of appreciating the need to increase capacity they equally suggested that their capacity may be enough to ensure their competitiveness. They indicated that because they are small enough there is personalised service, which most clients cherish, such that when they come they feel they are at home rather than at just a hotel. Because of the size that one on one interaction between management and clients makes the hotel unique, in its own right and as a result major clients prefer Hotel A than other hotels.

This is supported by Choi & Chu (2001) equally indicated that organisations now continually seek new ways to acquire, retain and increase business, because the cost of losing customers is rising. Service is an important factor in retaining clients and as such where personalised service is offered clients will be obliged to use the facility. In this regard the researcher can be forgiven to conclude that while capacity matters it is also critical for hotels to appreciate what they have and capitalize on that as what is obtaining on both hotels.

Product and Infrastructure

Another striking determinant of competitive advantage in the catering industry is the product itself. Responses from both groups indicated that the product is a key determinant of competitive advantage. Hotel A enjoys a competitive advantage through offering a unique product especially in the restaurant, through offering an *a la carte* menu, which most hotels in Zimbabwe have not introduced, hotel B included. The *a la carte* menu allows Guests to select what they want to eat from a list of products available on the menu and as a result it is prepared as per the guest's order. Porter (1985) defined competitive advantage as the ability of a company to make products that provide more value to the customer than rival products, leading to higher sales and higher profits for that company. In this regard hotel A equally utilise live cooking where guest are thrilled by viewing well trained and experienced Chefs doing what they know best in the hotel garden, a facility hotel B doesn't have since its located right at the city centre. Most hotel utilise the Buffet style and Set menu, where food is prepaid and clients are not given options except to pick from what will be on the menu for that day. Hotel B kitchen staff prefers a set menu for a speed and efficient service. As a result most clients seem to prefer the *a la carte* menu and at times can even dine at hotel A but staying at the hotel B. The Restaurant sells more when the *a la carte* menu products are available. Likewise hotel A respondents indicated that they were equally gaining mileage over other players because of their hotel architecture, the turdo style. Notably the bulk of tourist prefers their brand because of their architecture.

As alluded earlier on through interviewing management of both hotels the issue of the hotel infrastructure was raised. Hotel A management, considered their infrastructure as one of their main sources of competitive advantage. The hotel management indicated that their front office was in god shape creating a good ambiance for their clients, with their restaurant nicely furnished. The researcher showed his concern of power cuts and management indicated that they had a stand by generator. Likewise the hotel enjoys the use of Bohol water, in an event there is water, cut. Above all management of hotel

indicated that they were driving their competitiveness mainly through their garden a facility, without other players in the industry. On the other hand hotel B management equally echoed the same sentiments in terms of the importance of having good infrastructure, but since the hotel is located right at the city center did not have a garden a major drawback in this avenue. Murphy *et al.* (2000) found that the level or lack of infrastructure affects tourist experiences and that 'tourism infrastructure' is an important predictor of both destination 'quality' and perceived trip 'value'. In this regard one can be forgiven that infrastructure is a key determinant of competitiveness. Hotel B management further indicated that they had the best quality rooms, extraordinarily clean. They also indicated that their internet services are always supper and uninterrupted, a facility that most clients now cherish. Inside the hotel clients can access wireless, network. Irrespective of having functional Wi-Fi services some points and rooms cannot access the wireless net work system a key draw back. In this regard infrastructure is critical for efficient service delivery.

Location

Location equally counts for competitiveness in the hospitality industry. Hotel A over and above being small in terms of capacity manages to compete with hotel B and other players because of its strategic location. By virtue of being out of the city hive the hotel enjoys the quietness that most clients prefer, when resting with their families. The hotel A's garden provides the soothing environment that most clients cherish. Indeed most clients prefer such an environment for them to enjoy value for their money. Zhiman (2010) carried a research on employee's role on service delivery at Haiben Hotel and Westin Hotel in China and equally underlined the significance of location as a determinant of competitive advantage with Haiben strategically located than Westin Hotel. Many clients choose hotels for different reason, some will be on business trips, and they require an environment that ensures their peace of mind, others will definitely want to just relax and reflect and given the hotel A environment they will definitely prefer to stay.

Equally hotel B is located right at the city centre, and as such Reponses from both managerial and non-managerial employees indicated that most guests complain about noise from the moving vehicles, close clubs and other night disturbances. Irrespective of this draw back hotel B management has converted their location to the attraction of "walk inns" who desire to call un-booked. Because of what they call a strategic location they also manage to increase their covers through targeting walk inns and those who will have business in town early but without transport. However the critical point to note is not whether which group enjoys more but to understand

the significance of location towards customer attraction and nonetheless competitive advantage.

RECOMMENDATIONS

Flexible Rates - Findings from both hotels indicate that for ensuring competitive advantage pricing matters. In this respect the paper recommends companies particularly in the hotel industry to allow management to adjust prices to meet the different needs of clients. At times it will be wise for offering a slightly lower rate given the situation say when the hotel is operating below 40%. Indeed hotel A respondents both managerial and non managerial indicated that their prices requires head office to adjust and hotel B indicated that they were actually getting a leverage over other players due to their flexible rates, reasonable enough to ensure they remain profitable and viable.

Engagement - In both cases for smooth service delivery the researcher recommends all players in the industry to maintain and keep high a highly engaged workforce. Responses from both hotels suggest that for an effective service delivery employees who are in contact with the employees matter. For hotel B their staff is highly motivated and committed and as a result their service is equally excellent, but for Hotel A more can be done to ensure an improved service delivery. In both cases both management and non-managerial employees indicated that customers are always looking for value of their money. With a highly engaged workforce quality can be enhanced which will ensure continued business and nonetheless competitive advantage.

Recapitalisation - Maintaining a good infrastructure such as Wi-Fi services, tax, good room, furniture in the restaurant, bars and rooms can add to the ambiance of a hotel. In this regard Zimbabwean hotels can manage to compete globally through providing good infrastructure in terms of facilities. This can be through a massive recapitalisation for a total and complete revamp of other areas. Indeed findings from both hotels suggest that they need a financial boost to ensure a massive facelift.

Product differentiation - Likewise the researcher recommends hotels to constantly visit and work on their products. As indicated earlier on responses from both organisations indicate that they largely derive their competitiveness from their products. In this respect offering a unique but equally excellent product can help a company to create that difference that will help in determining competitiveness. Maintaining and offering a unique service adds value to the company as the product always appeals better in the eyes of the customers.

Focus on IT - The paper equally recommends management in all Zimbabwean hotels to focus on improving the information technology, in terms of IT infrastructure. This may give Zimbabwean hotels leverage. Indeed the world is not static but evolving and what customers are now interested in is to

connect. As such in the case of both hotels Wi-Fi services need to be improved. Not only internet connectivity is crucial but also the booking system should be online, the check in process should be speedy. As such once this is done competitiveness can be achieved.

CONCLUSION

The Zimbabwean hospitality industry is still on its road to recovery following a decade of an unprecedented economic decline in most sectors of the common particularly hospitality sector. In dynamic environments the relative strength of the organization's strategy will eventually lead to a decline as competition will always remain high, for clients, locally and internationally. Coevolution takes place at multiple levels within firms as well as between firms, their causes are multidirectional and consequences nonlinear (Lewin and Volberda 1999). The strategic choices of each hotel group in relation to the imposing tensions and imbalances between macro and micro aspects of the firms, determined their effectiveness in creating and sustaining competitive advantage. The article concludes that while factors such as hotel product diversity, pricing, capacity and infrastructural capabilities were key drivers to competitiveness, people issues are a vector towards the creation and sustainability of competitive advantage in the hospitality industry. Indeed the findings highlights the immense contribution of employees towards customers' satisfaction which will undeniably influence their choice to stay with or to move to competition. From the two hotels under study in both instances they all have their cards in place to ensure competitiveness. Other determinants highlight indeed does add value but the contribution of the service providers who are the employees cannot be questioned. The use of co-evolutionary framework provides a more comprehensive way of examining determinants of competitive advantage in the light of growing complexity of both macro and micro aspects of the hospitality industry. It is critical to observe that not every co-evolution does necessarily translate into competitive configurations. This can be realized by developing sufficient strategies and practices that ensure people are the living and sustainable source of competitive advantage.

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