

The impact of human resource competencies of front line employees on tourist arrivals of unclassified hotels in Western province, Sri Lanka

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Abstract

Aim: The primary goal of this research is to analyze how the Human Resource (HR) competencies of frontline employees at unclassified hotels in Sri Lanka's western province affect the number of foreign visitors to those establishments.

Methodology: 131 frontline workers were selected as possible respondents after a thorough conceptual model was developed and tested on a survey strategy.

Findings: According to the research, unclassified hotels in Sri Lanka's western province benefit greatly from the HR competencies of their frontline employees. The only significant dimensions of HR competencies were interpersonal and communication skills. The five unclassified hotels in Sri Lanka's western province are the only ones covered by this study, which was conducted solely on a cross-sectional basis.

Implications/Novelty: The study has shown that managers need to put more effort into improving the interpersonal and communication skills of their frontline workers if they want to increase the number of tourists they bring in. It has also shown that managers must assess their frontline workers' skills to see where they need to improve.

Key Words: HR Competencies, Tourist Arrivals, Unclassified Hotels, Interpersonal Skills, Communication Skills

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INTRODUCTION

As a result of the hotel industry's close relationship with tourism, many locals have found gainful employment in recent years. However, the number of tourists visiting Sri Lanka has fallen steadily from 2014's 19.8% to 2015's 17.8% to 2016's 14.6

The truth behind this bitter reality is that Sri Lanka has a peaceful environment, but its hotel industry's human resource system isn't doing much to attract visitors (Sri Lanka Tourism Development Authority 2016). Human resource management (HRM) has emerged as a crucial area for businesses to excel in recently, thanks to its proven track record of improving organizational performance.

There is widespread agreement that HR is crucial to a company's success. Human capital is the most important factor in any organization's success, say, Nankervis, Compton, and Baird (2002). Therefore, they must be managed exceptionally well to contribute to the organization's goals.

The effective deployment of human resources can give a hotel an edge in a labor-intensive industry like hospitality, as pointed out by Nankervis and Debrah (1995). According to Gilbert and Guerrier (1997), those working in the hospitality industry place a premium on things like team building, leadership, communication, delegation, employee satisfaction, technology, finances, and professional growth.

Furthermore, leadership is the most crucial quality for a manager, as stated by Ahmad and Zainol (2011). Interpersonal skills were also cited by Raybould and Wilkins (2006) and Frantz and Misal (2016) as the most important skill for hospitality industry employees.

Hays and Hill (1999) and Luangsa-Art (2016) stressed the importance of employee motivation in ensuring high-quality service in the hospitality industry, and they recommended that hotels increase employee motivation to

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improve the quality of services they offer their clients. The Sri Lankan hospitality industry has a reputation for having poorly trained front desk staff (Sri Lanka Tourism Development Authority 2016). Consequently, Sri Lanka requires frontline workers adept at interacting with tourists.

Human Resources Management (HRM) is responsible for setting the tone and atmosphere throughout the hotel (Gilbert and Guerrier 1997). Only 113 of the 344 hotels registered with the SLTDA have been assigned a star classification (from 5 stars to 1 star), while the remaining 231 (67%) are registered as unclassified hotels, making up roughly 2/3 of the entire set of hotels in Sri Lanka. Since most Sri Lankan hotels are not formally classified, the HR skills of frontline workers, such as the room boy, front desk clerk, Gardner, waiter, and receptionist, are especially important.

Competencies, according to Boyatzis (1982), are "the human capacity to act in a way that meets employment requirements within the parameters given by the organization's environment to achieve the required results." Ulrich et al. (2009) noted that HR competencies serve as the foundation for evaluating and enhancing the quality of HR professionals by outlining what is expected of those who work in HR. On top of that, frontline workers are crucial to the success of any service industry business, and hospitality establishments are no exception (Chung and Schneider 2002; Singh 2000; Kunnu 2016).

Furthermore, Partlow and Gregorie (1994) asserted that frontline employees in the tourism industry must develop their HR competencies due to the complexity of the tourism industry in relation to continuous tourism managing needs. Gilbert and Guerrier (1997) found that managers in the hospitality industry placed a premium on frontline workers' capacity for interpersonal relationships, leadership, communication, and positive motivation with guests.

For this reason, it is crucial to acknowledge the frontline workers' contributions that can help grow the company's performance and solidify its competitive advantage. As a result, the human resources skills of frontline workers have emerged as an important factor in attracting visitors. Despite the growing interest in the topic, Slatten and Mehmetoglu (2011) note that surprisingly little academic and empirical research has been conducted on the relationship between frontline employees' human resource competencies and visitor arrivals. Therefore, more empirical research on the HR competencies of frontline employees in the hospitality industry is urgently needed (Gilbert and Guerrier 1997).

Stemming from the above research problem, the problem statement of this study is as follows:

"Why front-line employees in unclassified hotels are not demonstrating HR competencies when interacting with tourists?"

To address above research problem, the researcher has developed five hypotheses with the aid of literature as follows:

H1: There is an influence of HR competencies of front-line employees on tourist arrivals in unclassified hotels in Sri Lanka.

H1a: The communication skills of front-line employees influence tourist arrivals in unclassified hotels in Sri Lanka.

H1b: The leadership skills of front-line employees influence tourist arrivals in unclassified hotels in Sri Lanka.

H1c: The interpersonal skills of front-line employees influence tourist arrivals in unclassified hotels in Sri Lanka.

H1d: There is an influence of positive motivation of front-line employees on tourist arrivals in unclassified hotels in Sri Lanka.

Based on the above five hypotheses, the research model of the study is as follows:

Research Model

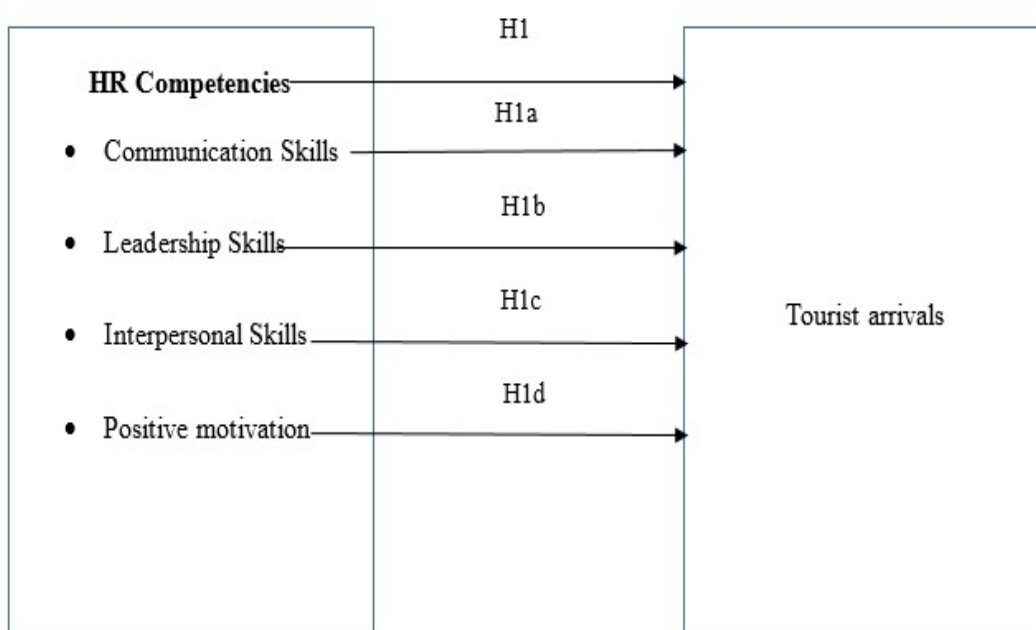


Figure 1. Relationship between HR competencies and tourist arrivals

METHODOLOGY

This study is in the positivism paradigm and carried out as an explanatory study. Hence, this study was quantitative and followed a deductive approach. According to the regional distribution, 39% unclassified hotels were located in western province in Sri Lanka. Thus, five unclassified hotels which were registered in SLTDA in Colombo and Gampaha district were selected as the research setting for this study. In addition, 170 front line employees working at five selected unclassified hotels were used as potential respondents for this study. Thus, the individuals were taken as the unit of analysis for this study. In addition, this was a cross-sectional study since data were collected at a precise point of time and it did not repeat. Accordingly, survey strategy was followed and self-administered questionnaire was taken as the data collection device. In addition, pilot test was conducted before giving away the final questionnaire to target population and respondents were kindly informed that all responses of them would be severely anonymous and encouraged them to fill them as honestly as possible. This study has used the convenience sampling technique to select front line employees and final pre-tested questionnaire was distributed among 170 front line employees and received only 139 in return. But out of the received questionnaires, only 131 were usable since others had high missing values. Thus, the response rate was 82% and the effective rate was 77% in this study.

RESULTS AND DISCUSSION

Demographic Characteristics

Data were collected from 170 front-line employees of five unclassified hotels in western province in Sri Lanka. The sample consisted of 81 percent males, and out of the total, majority (44 percent) belonged to the 26-35 age category and 3 percent, which is the lowest, were in the above 50 age category. Regarding the civil status of the respondents, 42 percent were married and 58 percent were unmarried. Moreover, 39 percent of the sample had an Advanced level (G.C.E) education. Most (62 percent) of the front line employees were permanent and full-time. Remarkably, 70 percent of the total sample had been working for their respective organizations for only the last five years.

Preliminary Analyses

With regard to the normality of data, Kline (2005) established a rule of thumb for skew index of absolute

value less than 03 and kurtosis value less than 10. Thus, these threshold values were used to test the normality of the data distribution. Accordingly, results indicate that the sample data are normally distributed and data transformations available to address problems of normality in non-normal distribution are not required for this study (Hair et al. 2010). Scatter plot diagram and residual plots were drawn to examine linearity between variables.

In scatter diagrams, scatter plots took an approximately oval shape according to the visual inspection. Moreover, “Lack of fit” test was also performed on data to further confirm linearity. According to the lack of fit test results, the probability of the F test statistic ($F = 1.317$) was 0.073, which is larger than the alpha level of significance of 0.05. Thus, the null hypothesis that “a linear regression model is appropriate” was not rejected and long-established that linearity assumption was met. With regard to content validity, confirmatory factor analysis was performed using AMOS to measure the validity of the instruments.

As two variables were measured with multi-dimensions second order confirmatory factor analysis in this study. According to Hair et al. (2010), the standardized factor loading estimates of the measurement model should be .5 or higher and ideally .7 or higher to ensure construct validity. Accordingly, all the standardized regression weights for items in the measures were above .5 and these estimates denoted that the indicators are related to the associated variables and approve construct validity in this study.

Hooper, Coughlan, and Mullen (2008) suggest that a model should not be rejected because of large statistic of chi square value. Wheaton et al. (1977), proposed, if reported high chi square values, χ^2/df can be used to ensure model fit.

Table 1: Chi-square statistics of each construct and the level of significance

Construct	Tourist Arrivals	HR Competencies
Chi-square statistic (χ^2)	457.80	921.63
Degree of freedom	157	298
Significance (p -value)	.00	.00
(χ^2/df)	2.91	3.09

Source: Survey Data

Although there is no agreement regarding a satisfactory ratio for this statistic, recommendations range for χ^2/df value from as high as 5.0 (Wheaton et al. 1977) to as low as 2.0 (Tabachnick and Fidell 2007). Based on these criteria suggested by Wheaton et al. (1977) and Tabachnick and Fidell (2007), it is concluded that all measurement models have acceptable model fit.

Table 2: Collinearity statistics of independent variables

Variables	Tolerance	VIF
Interpersonal skills	.647	1.537
Communication skills	.841	1.149
Leadership skills	.600	1.645
Positive motivation	.723	1.845

Source: Survey Data

The figures in Table 2 indicate that the tolerance is far greater than .1 (Field 2009) and the VIF is far less than 10 for each predictor (Field 2009). These values in table 2 reveal that no multi-collinearity exists between independent variables and assure that remedial actions are not required as well.

With regard to the reliability of constructs, Cronbach’s alpha values of each construct were used to test the reliability. Accordingly, all values of reliability shown in table 3 are greater than 0.7 which show high reliability in measures.

Table 3: Reliability of construct measures

Construct Measures	No of Items	Cronbach's Alpha
Interpersonal skills	5	.761
Communication skills	5	.843
Leadership skills	5	.723
Positive motivation	5	.821
HR competencies	20	.847
Tourist arrivals	5	.794

Source: Survey Data

Table 4: Pearson correlation statistics

	Tourist Arrivals
HR competencies	.580**

** Correlation is significant at the 0.01 level

* Correlation is significant at the 0.05 level(2-tailed)

Note. (1) Between .1-.3: small effect. (2) Between .3-.5: medium effect. (3) Above .5: large effect.

In addition, Correlation between HR competencies and Tourist arrivals is .580 and it reflects large positive relationship between two constructs according to the criteria provided by Field (2009).

Hypotheses Testing

Hypotheses were tested using multiple regression analysis. The first, the Impact of HR competencies of front line employees on tourist arrivals of unclassified hotels in western province in Sri Lanka was tested with the aid of linear regression.

Table 5: Model parameters of hypotheses - Measuring impact of HR competencies on tourist arrivals of unclassified hotels

Model	Standardized Coefficients	t	Sig.
	B		
Organizational justice	.51	8.41	.000

a. Dependent Variable: Organizational Citizenship Behavior

The above findings reflect that there is a positive association between HR competencies of front line employees and tourist arrivals in unclassified hotels in western province in Sri Lanka and the degree to which it affects HR competencies of front line employees is .51. It means that when HR competencies of front line employees are increased by one standard deviation, tourist arrivals of unclassified hotels increase by .51 standard deviations. In addition, the probability of the *t*-statistic (8.41) for the standardized beta (β) coefficient of HR competencies of front-line employees is significant at .00 which is less than the level of .05.

Table 6: Model summary of hypotheses - Measuring impact of HR competencies on Tourist arrivals

Model	R	R Square	Adjusted R Square	R Square Change	F Change	Sig. F Change
1	.67	.45	.44	.25	.70.65	.00

Model Summary

With relevance to hypothesis 01, 45% of the variance in HR competencies of front line employees is accounted for by the regression model from the sample. 44% of the variance in HR competencies is accounted by the model had it been resulting from the population. The model indicates that 25% of the alteration in HR competencies of front line employees is explained by Tourist arrivals alone. Moreover, F change is significant at .05 level, it can be concluded that the addition of tourist arrivals has increased the predictability of the model significantly.

Table 7: The results of regression analysis

Model	Standardized Coefficients	<i>t</i>	Sig.
	Beta		
Interpersonal skills	.401	9.00	.002
Communication skills	.578	8.77	.000
Leadership skills	.231	7.65	.064
Positive motivation	.357	10.56	.021

With regards to the remaining hypotheses (H1a,H1b,H1c,H1d), the standardized beta (β) coefficients for Interpersonal, Communication, Leadership skills and positive motivation indicate that there are positive impacts from each of them on tourist arrivals of unclassified hotels in western province, Sri Lanka. In addition, when Interpersonal, Communication, Leadership skills and positive motivation increase by one standard deviation, tourist arrivals increase by .401, .578, .231 and .357 respectively. When considering the probability of the *t*-statistic for the standardized beta (β) coefficients, only interpersonal and communication skills are identified as significant dimensions for tourist arrivals which is less than the level of .05. Thus, the results of table 7 reveal that there is a significant positive impact only from interpersonal and communication skills of front line employees on tourist arrivals of unclassified hotels in western province in Sri Lanka. Thus finally, H1a and H1c hypotheses were also only supported.

CONCLUSION, RECOMMENDATIONS AND IMPLICATIONS

This research endeavored to show the importance of HR competencies of front line employee on tourist arrivals of unclassified hotels in western province in Sri Lanka. The results indicate that only communication and interpersonal skills of them are fairly important in predicting the tourist arrivals. Therefore, managers in unclassified hotels should be aware of the significant nature of these two skills on their tourist arrivals and at the same time should take necessary steps to improve these two skills in them specially. In addition, managers should pay high attention on skill assessment of their front line employees because employees' skills are fairly important for tourist arrivals and their job performance and overall organizational performance as well.

Limitations

The first limitation experienced by the researcher was that the researcher did not have direct access to a survey population. Thus, the composition of the survey population may not have been ideal. Due to the limited access to a survey population and unknown population size, this study was limited to smaller survey population. Thus, the survey sample was limited to 139 respondents. According to Saunders (2011) "respondents often feel the need to provide socially desirable answers in order to avoid bringing notice to themselves" (p.381). Even though this limitation is common for any research, researcher ensures that participants' responses remained completely anonymous and the survey did not demand any private information in order to reduce common method variance in this study. The next limitation was inability to conduct a longitudinal study for this research. Because the nature of this study was to demonstrate the impact of one variable on another variable, it would have been more meaningful if the study was carried out time to time as a longitudinal study. Quantitative research usually practices probability sampling techniques to assure generalization (Saunders 2011). Due to the practical constraint like unknown population size, convenience sampling technique was adopted which is a non - probability sampling method in this study.

Future Directions

First, this study was based upon a sample containing frontline employees from five unclassified hotels in western province in Sri Lanka. Certainly, the use of such a relatively conical setting has some limitations, but it is suitable for the contributions this study has to offer. Future research should reproduce and expand upon the contemporary findings in order to discover whether there are alterations in tourist arrivals depending upon such HR competencies as the type of hospitality firms, the kind of contact, the level of customization, and the level of interaction. Second, the nature of this study is to demonstrate impact of one variable on another variable, it would be more meaningful if the study is carried out time to time as a longitudinal study. Probability sampling techniques

are used for Quantitative research usually to draw generalization (Saunders 2011). Due to the practical constraints (as mentioned above), convenience sampling technique was adopted which is a non probability sampling method in this study. Thus it would be more appropriate if future researchers could do the same study using probability sampling technique. Finally, if future studies are conducted using both questionnaires and interviews as data collection methods, this study will be able to draw a very representative and meaningful picture about the entire population than now.

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