

Hotel Managerial Competencies and the Growth of the Organizational Performance

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Abstract—The relationship between hotel managerial competencies and organizational success still remains an important issue within organizational literature. However, there were limited studies conducted to assess the relationship of the hotel managerial competencies and organizational performance. For this reason, this study aimed to determine whether there is a significant relationship between hotel managerial competencies and the growth of the organizational performance in General Santos City, Philippines. The research design employed was descriptive correlation. A total of 90 respondents participated in this study. In the research process, the researcher used modified questionnaires. The findings show that the managerial competencies were high. The importance level of the organizational performance indicates that the managerial competencies have an impact to the growth of the organizational performance. There is a significant relationship between managerial profile and the organizational performance. There is a significant relationship between age, sex, field of specialization, number of years as manager and classification of manager as to owner or hired manager to the managerial competencies. However, Insignificant to civil status. There is a significant relationship between managerial competencies and the organizational performance. The result will help the managers on how their competencies support and contribute to the firms overall success as well as their improvement in the organization.

Keywords—General Santos City, Managerial Competencies, Organizational Performance, Philippines

I. INTRODUCTION

NOWADAYS, with the markets getting more competitive and the working environment undergoing constant change, organizations have realized that they no longer face an expanding economic system with ever-growing markets (Hoseinpour, et al 2013). As a result, managers are expected to be good at planning, organizing, directing, and controlling because they are the prime mover of an organizations quality and acceptance of the clientele in very business (Navarro, 2013). Understanding people in marketing is very important thus businesses that were “firms of endearment” were highly profitable (Kotler, 2013). Farah, (2009) has discussed about the performance of companies depends mostly on the quality of their human resource. For obvious economic and business reasons, organizations have always been concerned about the competence of its people. The relationship between managerial competences and

business success still remains an important issue within organizational literature according to Crook et al., (2011) Moreover, It is unknown to what degree a hotel manager can mitigate external adverse conditions to prevent revenue decreases so this study attempted to identify the capabilities that had the greatest correlations with the hotel performance. As competitions getting intense, the study on managerial competencies is very important thus managerial competencies play today an important role in different types of organizations (Krajcovicova, Caganova, Cambal, 2013). According to Blayney, (2009) the hotel industry at its best can be difficult to manage because of challenging economic conditions it can become increasingly demanding. Furthermore, the unique characteristics of the hotel industry can place great demands on its managers. Research about managerial competencies is extensive and there are limited research conducted to explore, assess the relationship of the managerial competencies for hotel managers and the organizational performance. In General Santos City, According to the data from the Philippine Statistics Authority (PSA) and Department of Trade and Industry (DTI) from the General Santos City Permits and Licensing Division are 30 registered hotels in any class as of December 2015. Hence, it is on this point that this study was conceptualized in order to identify the relationship of hotel managerial competencies and the growth in the organizational performance.

II. REVIEW OF RELATED LITERATURE

In Greece, the result of the study conducted by Reklitis (2014) revealed leadership competencies is linked with the innovator, mentor and director roles that found to contribute most to the managerial effectiveness thus specific directions for managerial action has been derived. Moreover, gender does not exert the significant impact, as well as managers, are categorized by high level of job performance in which they excel in practicing all leadership competencies. Similarly, the study conducted by Holmdahl (2013) in Sweden, the study concluded that same as male managers, female managers are also competent. Supported by the conducted by the study of Balci (2009) in the construction Industry, he mentioned that there is no difference between male and female project managers in terms of their managerial behavior. Another Study conducted by Kaur and Kumar (2013), concluded that both leadership and planning skills were missing compared in middle and first line managers compared to the top manager who lacked in technical skills.

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In Malaysia, the result of the study conducted by Abu Bakar (2010) proved that the organization's performance and managerial competencies are interrelated. In addition, the study conducted by Bucur (2013) revealed that compared to middle and line managers, the core competencies were more important for top managers in identifying managerial performance. Similarly, a study conducted in Sri Lanka by Zoyza (2011) aims to distinguish the firm-level abilities in terms of managerial level competencies in which a range of factors are identified at the managerial competency level that from firm-level capabilities as a result. In Nigeria, the study conducted by Gladson (2008) affirmed that managerial competencies lead to marketing effectiveness in corporate organizations. In China, the result of the study conducted by Wang (2009), he suggested that the middle managers must focus on its critical competencies such as continual learning, execution, team building, communication, and coordination. In addition, the study of Sahoo (2014) in India, he mentioned that to improve the managerial performance, potential dimensions such as entrepreneurial and leadership competencies should be identified. Moreover, the study of Sharma (2011) in the development of competencies, he shows that cognitive, social and intelligence competencies predict the effectiveness in management and thus can be developed in adults.

In Singapore, the study conducted by Chong (2013) concluded that work environment differs when the competency differences are apparent. The study also revealed that organizing, planning, and motivating others to distinguish a more rapid career advancing managers regardless of their work environment are associated with assessed competencies. On the other hand, findings of the study indicate that the career advancement is not satisfactory and the result shows that these competencies are necessary. In contrast, the study of Pilay (2008) in South Africa, the study revealed that there is a significant gap in terms of managerial competencies between private and public managers. The private managers perceived themselves to be more competent than the public managers.

The study conducted by Tan, 2010 in Malaysia, studies regarding organizational performance is a great interest to the hoteliers in devising their marketing and operational strategies. Supported by the study conducted by Xiao (2011), he mentioned that corporate strategies do influence hotel properties level financial performance. The study conducted by Blayney, 2009 mentioned that study about organizational performance is important for managers to help them prepare for further stressful economic conditions and that they should explore which capability levels they should implement.

Based the above review, it is evident that there has been no clear discussion/finding on the issues of the assessment of hotel managerial competencies and its relationship to the organizational performance. The literature review shows that although previous managerial competency studies are extensive, limited research has been conducted in the Philippines and internationally to explore, assess the relationship of hotel managerial competencies and the growth of the organizational performance.

III. RESULTS AND DISCUSSION

A. The Profile of the respondents

The variables under profile of the respondents can possible affect the hotel managerial competencies and organizational performance.

On Age. Most of the hotel managers in General Santos City ages between 25-31 years old (38 or 42.20%). Meanwhile, 30 or 33.20% of the respondents aged 32-38, 39-45 years old (13 or 14.40%), 6 or 6.70 of the respondents aged 18-24 years old and 3 or 3.33% are 46 years old and above. This implies that most of the hotels managers in General Santos City are on middle ages. **On Sex.** The Majority of the hotel managers in General Santos City are Female (61 or 67.8%) and Male Managers are just 29 or 32.20% of the entire population. Result may imply that female managers could provide more tender and passionate to their customers and staff. **On Civil Status.** The majority of the managers are married (63 or 70.00%). Only 27 or 30.00% are single. This would mean that civil status may exert significant impact to the performance of a manager and it's not a remiss to their responsibilities as managers. **On the Field of Specialization.** The highest number (86 or 95.60%) of the respondents finished a business administration related courses, Media and Communication (3 or 3.30%) and only 1 or 1.10% is from Health Sciences and Nutrition. The finding suggests that their courses are congruent to their task as managers. **On Academic Distinction.** The highest number (72 or 80.00%) of the respondents graduated with no academic distinction/not applicable status, on the other hand, some of the respondents graduated from college with other academic awards, (15 or 16.70%) and (3 or 10.00%) are cum laude and none of the respondents is a magna cum laude and summa cum laude when graduated from college. This implies that managers are good in academics. **Highest Educational Attainment.** The majority of the respondents are College Graduate (83 or 92.20%). As managers, it is expected that they could share more insights into running a business by the theories, principles, and concepts they learned. On the other hand, it is noteworthy to mention that there are respondents of 1 or 1.10% of manager who is a high school graduate. 3 or 3.30% for both have their master's degree and with masters units. These respondents believed in the value of pursuing post-graduate studies by enhancing their skills, abilities and competencies. **Number of Years as Managers.** Most of the respondents have been performing their job as managers for 2 to 5 years (41 or 45.60), 11 to 15 years (21 or 23.30%), and 6 to 10 years (20 or 22.20%) managerial experience. On the other hand, there are respondents with 5 or 5.60 with below 1 year managerial experience and 3 or 3.30% with more than 16 years of managerial experience. This implies that most of the hotel managers in General Santos City have more than a year of experience. **Classification of Managers.** The majority of the respondents are Hired Managers (77 or 85.60%) and only 13 or 14.400% of the respondents are the Owner Manager. The result implies that most of the hotel managers in General Santos City are hired managers.

B. Managerial Competencies of Hotel Managers in General Santos City

On Planning. It shows that among the 10 indicators of planning, the items Determine ways to achieve objectives, taking into consideration the problems and other opportunities that are possible in the future falls at Very Important remarks from the respondents. Such item obtained the highest weighted mean rating of 2.54. The finding shows that managers play a vital role in present-day of the organization (Cieślińska, 2007) and supported by the study of Navarro, 2013 that they are oriented to their tasks and guided accordingly because of the presence of their strategic plan. Same remarks of Very important from the respondents are the following indicators, Prepare a strategic plan for the hotel with a mean rating of 2.51. Moreover, Involve the subordinates in strategy formulation obtained the mean rating of 2.47 from the respondents. Choose the best strategy to achieve the objective and State the guidelines or policies that would guide to those who will be responsible in carrying out the plan obtained a mean rating of 2.40. The success of any business organization depends on their personnel which are guided by the competencies of the managers (Navarro, 2013). Supported by Koontz (2007), he mentioned that the success of an organization in achieving its goals and objectives at the same time satisfies social responsibilities depend largely to the managers. Drucker mentioned that manager is synonymous with a supervisor in which he defined supervisor or manager as whom in view his knowledge or position that is responsible for work contribution at the same time he is physically influencing the organizational success. On the Other hand, among the 10 indicators of planning, the item Formulate goals and objectives for the whole unit, Designate the officer who will be held accountable for the attainment of the goal and Determine demands, supply, competitors, trend, cost and other information received an important level from the respondents with 2.34, 2.09, and 2.13 respectively. Undertake the environmental scanning obtained the lowest rating of 2.00 and falls under an important rating from the respondents.

Taken as a whole, the level of importance of managerial practices of the hotel managers along with planning falls at important rating with 2.31 overall mean rating

On Organizing. The data reveal that the indicators Encourage employees to perform actions that are personally and organizationally advantageous, Influence the action and behavior of the workers and involve grouping the various positions into manageable units, in line with the goals of the business received the highest mean rating (2.51), which fall at a very important level. Moreover, Indicators such as Organize group activities into functional working group so that they become more efficient, Distribute the responsibility and authority within the business and Combine the best features of the line structure and the functional type of business obtained the rating of 2.22 and falls under important remarks from the respondents. Noteworthy to mention, that indicators Determine the types of business needed to accomplish the set objectives and Concern with giving persons specific task to perform based on a plan obtained a mean rating of 2.18 and 1.92 respectively. The finding indicates that understanding

authority is important in an organization as well as combining all of the efforts of all the staff and subordinates in their business establishments could cause positive impact. Moreover, Indicator such as Set clear lines of authority and the authority should be accepted by the group obtained the lowest rating of 1.92 but still falls under important remarks from the respondents. Taken as a whole, the importance level of managerial practices of the hotel managers along organizing falls at an important rating with a 2.25 overall mean rating.

On Directing. It shows that the indicator set examples to his employees and Provide guidance to employees was perceived by the hotel managers to be the highest mean rating (2.52) this falls at a very important level. Same remarks from the respondents are managers Give incentives to those who are worthy with a rating of 2.36. The finding explains that as managers, they should be the role model and worthy to be emulated by their subordinates. They will always be assessed by their staff when it comes to the values they displayed to others. Their subordinates will also display the same behavior based on what they observe from their managers. Managers also recognized the efforts of their subordinates by giving incentives not just during Christmas but in every worthy deeds of his/her subordinates. Moreover, managers give important remarks in the following indicators, Monitor day to day activities (M= 2.21), Guide employees on the specific tasks by making available. (M=2.19), Help in sustaining attention, clarifying and confronting issues and intensifying job satisfaction and commitment (M=2.18), Make available for any queries from subordinates (M=2.18), and Institutionalize transparency and resolve conflicts adjusting to environmental crisis. (M =2.14) The finding is parallel with the idea of Martina et al. (2012) that managers should exhibit proper values in combination with their efficient organization management style. The theory of CH. Woodruff regarding Managerial Competencies supported the result as he defined managerial competencies as a set of employee behaviors that must be used for the position that the tasks arising from this position competently mastered. The study of J. Lojda (2011) in his work, he mentioned that managerial competencies also reflect the ability to flexibly react to the changing conditions. Meanwhile, the item that obtained the lowest mean rating (2.02) was Decide and give direct instructions, then closely supervise. This item however, falls at important level. Perhaps, the managers are having a hard time in deciding and giving instruction then closely supervise.

When all the items are combined together, an overall mean rating of 2.23 indicates that the importance level of managerial competencies of the hotel managers along directing is important.

On Controlling. The managers of hotel in General Santos City give Very Important rating to know how to handle feedback from the clientele. This obtained a mean rating of 2.64, as the highest evaluation from the respondents. The managers have better understanding of valuing clients. The Table 4 shows that Estimate sales, production, personnel and other divisions should be matched so that they are consistent with the required financial feasibility of the business and Set performance standards at work place obtained a mean rating of

2.59 and 2.54 respectively and fall under Very important remarks from the respondents. Indicators such as Provide guidance and constructive comments (M = 2.32), Prepare report on the results of job performance (M = 2.31), Measure activities and take action to make sure that plans are being accomplished. (M = 2.31), Alert in looking forward to predict possible deviations from standards (M = 2.31) and Have signals to see how things are going without having to watch every step in the execution of plan (M = 2.26) obtained an Important rating. The finding implies that while the managers set a remarkable performance, their subordinates are also motivated to give their best. By providing them the best examples, job productivity in the workplace will be maintained. Moreover, Prepare report on the results of job performance obtained the lowest mean rating of 2.20 but still falls on important rating from the respondents.

As a whole, the importance level of managerial competencies of the hotel managers in General Santos City in terms of controlling falls at a very important level (2.37).

C. Level of Organizational Performance

The effect of the Managerial Competencies to the hotel performance was measured and interpreted using the external data from city tourism of General Santos City.

The results shows that the effect of the managerial competencies to the level of hotel performance as perceived by the respondents in terms of increase in occupancy rate (%), average daily rate (ADR) and revenue per available room (RevPAR) obtained a Very Successful remarks from the respondents with a mean rating of 2.61, 2.60 and 2.58 respectively. Supported by the data given by the tourism promotion division of the city economic management and development office, the data provided shows the second and third quarter by last year obtained a noticeably high turnout. The increase of the hotel performance proved by the data from the tourism division, there are a 15.56% increase in the number of hotel guest and 21.53% increase for both domestic and foreign guest in 2015. In addition, the inbound bookings have accumulated revenue of 33,212, 500 Pesos and accommodation occupancy garnered a total of 1,171,510. The result implies that managers are very effective in room supply efficiency or capacity utilisation, turnover by room nights sold for the period and the balance between hotel room supply and demand. In addition, the Study conducted by Tan, (2010) he mentioned that to understand the key determinants that drive hotel performance, empirical research conducted on hotels in Milan found that there were five main determinants, namely number of rooms, number of employees, number of years since the last refurbishment, market orientation, and location that drive hotel performance as measured by Revenue Per Available Room (RevPAR) (Ruggero Sainaghi, 2010)

The result also implies that the hotel industry in General Santos City is doing well. As a whole, the level of organizational performance of hotels in General Santos City falls at a "very successful" level (2.59).

On the relationship between the managerial profile and the organizational performance. A Pearson chi-test was performed and it is clearly shown that the profiles of the hotel managers in terms of age, sex, civil status, filed of

specialization, academic distinction, highest educational attainment, number of years as managers and classification of managers as to hired or owner manager are significantly correlated with the organizational performance: increase in occupancy rate, average daily rate and revenue per available room. The results on the Pearson chi-square test successfully attain their significance set at .05 probability levels.

On the relationship between the managerial competencies of hotels in General Santos city and their profile. A Pearson chi-test was performed and it is clearly shown that the profiles of the hotel managers, the age, sex, field of specialization, academic distinction, highest educational attainment, number of years as manager and the classification of managers as to hired and owner manager are significantly correlated with the four components of managerial competencies: planning, organizing, directing, controlling, and as a whole. The civil status result on the Pearson chi-square test failed to attain their significance set at .05 probability levels.

On the relationship between the level of managerial competencies of hotels and the organizational performance. There is a significant positive relationship between the four components of managerial competencies: planning, organizing, directing, controlling, and as a whole to the growth of the organizational performance supported by all the r-values that failed to attain their significance set at .05 probability level.

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