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HOSPITALITY MANAGEMENT EDUCATION IN ROMANIA AND THE IMPACT TO SERVICE PROVIDER PERFORMANCE

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SUMMARY

Hospitality service firms that do the better job of meeting guests' needs capture a larger share of the market than firms that place less emphasis on the overall customer experience. As a result of varying levels of experience, age, gender, and education, not all hospitality managers recognize an aligned prioritization of talent domains that exist among employees and best support market share performance and growth. To best assess what skills are necessary to create and sustain a marketplace in hospitality, six specific domains were examined across various managerial levels of Romanian hospitality managers to identify associations and differences manifesting from various readiness levels of employees as seen by surveyed managers.

Tourism and hospitality services have a significant effect on nearly every country around the globe. Hospitality is advancing at a tremendous pace; faster than agriculture and manufacturing combined. Tourism related business is the leading producer of jobs worldwide and has developed into an activity that knows no political, ideological, geographic or cultural boundaries.

Tourism and hospitality have become more than just the leading industry; it is now a critical part of the economic fabric of most communities, regions, and countries. Activities have historically followed an upward trend in numbers of participants as well as revenues. Tourism is one of the few significant economic areas that is sensitive of course to highs and lows, but is more often than not able to quickly recover from downturns in economic conditions or environmental impacts.

Romania is no different from the rest of the world and has enjoyed even more significant growth. Since 2015, the Romanian economy has outpaced the other European Union economies. However, Romania sees 43% of its national workforce and GDP from the service-sector business. Compare that to the European percentage of 70%, and it is clear there is an enormous upside in Romania in the hospitality and service business.

Today the idea and concept of tourism and hospitality includes many areas of technology, people, things to do and even facilities, and most would agree that it is made up of a unique group of industries and services tied together by a common idea, service and goal. Much debate

exists as to be the exact definition of tourism. Critics have even suggested using a more inclusive and descriptive term such as visitor-service industry to describe the traveling public and the services of demand.

No matter the definition that one chooses for tourism, it doesn't take significant imagination to see a common thread of hospitableness throughout. Hospitality is a business and one that is significant, generates revenue and creates jobs. In Latin, hospitality comes from the word *hostis*, which means stranger or guest and it means enemy as well. How exactly can one word seem to have divergent meanings and certainly different outcomes? It is almost as if the opposite of hospitality is hostility. When examined, the refusal to offer hospitality is in fact hostility. And while opposites rarely make up the entirety of a conversation, the gray area in the middle between hospitality and hostility is where the lack of people skills, friendliness or hospitableness risks negative perceptions.

In business services and tourism go hand in hand. Business has long recognized the need to be hospitable if the goal is to be of service and to win customers. The general principles of hospitality include matters of business principles, guest (people) principles, hospitality provision principles, staffing principles, and leadership and management principles, further suggesting a direct correlation between training methods adopting advance hospitality training in efforts to support local businesses. The learning and training experience that incorporates a liberal and vocational approach is more likely to install the desired skills and prepare professionals for tomorrow's industry leadership.

Researchers have explained how and why employees and their performance directly affect their firm's competitive advantage and bottom line. The essence of the argument is that employees, directly influenced by management policies, practices, systems, capabilities and organizational culture and climate, contribute to their firm's sustained competitive advantage through the development of competencies specific to the organization. Elements of this model include the six domains studied in this research; leadership, management, problem-solving, interpersonal skills, and business awareness in the technical and personal domains. Employees' work-related behavior drives customer value, product-service quality and customer satisfaction and loyalty, which are the basis of organizational performance.

In this study, the focus on these six specific domains of manager identified characteristics would help in workforce hiring, training and development and should, ultimately, improve the competitiveness of Romanian-owned or Romanian based hospitality businesses and subsequently, the Romanian economy. With the foundation being the six domains; senior level managers and owners were surveyed to see if there were associations among the six domains relevant to the successful operation of the hospitality business in Romania.

Data collection based on a questionnaire with a survey instrument, selected from previous instruments wherein the reliability and design were proven. It included specific questions on demographics as well as open ended questions that could open opportunities for future research and study. The list was purchased and consisted of 965 travel agencies and 1,724 hotel operators, using a convenience basis from a target list of 2,689 travel agencies and hotels. Calls and emails were conducted from the list directly and in total random selection and order. Most of the respondents ultimately provided answers on the telephone, except for a small sample that chooses to input directly online.

The Survey focused on 39 hospitality-type skills and attributes covering the following six domains:

- Leadership skills and management domain (questions 1–10);
- problem-solving; analytical domain (questions 11–16);
- interpersonal domain (questions 17–22);
- business awareness domain (questions 23–17);
- technical domain (questions 28–31); and
- personal domain (questions 32–39).

In order of priorities, acting managers prefer employees with broader application of problem-solving, interpersonal skills, personal skills, technical skills, leadership management, and business awareness, respectively. Problem-solving supports the literature review analysis suggesting that where hospitality customers feel most valued is where management solves their problems in a manner acceptable to them. The Relationship of the 6 Domains was checked using Pearson Correlations (the extent to which variables have a linear relationship with each other).

Researcher validated the data normality – based on high sample size, determined that normality was not an issue.

A majority of the correlations were statistically significant at $\alpha = .01$ level, demonstrating an even stronger association than the conventional $\alpha = .05$ level.

- Highest values interpersonal/personal $r=.57$
- Business awareness with personal and interpersonal $r=.52/.51$
- Interpersonal and problem solving $r=.49$
- Interpersonal and leadership/management $r=.46$

Evidence exists suggesting a strong correlation between the domains, meaning as one domain increases the others do as well. Additionally, the correlations fall into personal and interpersonal; managers understand the importance of dealing with people which after all is what the hospitality industry expects from consumers. Understanding the domains will assist in identification of necessary programs and skills assessments from a firm seeking to improve output and performance and thus, become more competitive in the hospitality market.

There was also found to be statistical significance for:

- Age $p=.030$
- Technical and personal met significance at $\alpha = .10$ (not at $\alpha = .05$).
- Gender/age $p=.033$
- Leadership/Management and Problem Solving met significance at ($\alpha = .05$).
- Years of experience $p=.092$ and $p=.074$ with age
Small enough to approach significance.

In summary, regarding research question one, most of the Pearson correlations were statistically significant, suggesting that there was a positive association between domains. The null hypothesis for research question one was rejected. Regarding research question two, Age and Gender*Age were statistically significant factors within the MANOVA. The null hypothesis for research question two was partially rejected.

There are many studies in existence that examine antecedents, or markers, that predict service sector employee performance. Many of these studies focus on the individual contributor, the customer's perception, or the employer's expectations. Each of these positions is important to the overall measure of identifying coveted traits, or characteristics, that improve chances of successful integration into an industry or fit within an organization. Customer retention is less expensive than customer acquisition, and as such, better service execution supports higher customer satisfaction and leads to greater loyalty. A critical connection exists between front line employees and the customer, in the service sector, and most are untrained, under paid and overworked. Improved training and hiring for education could lead to improved performance and improved pay because of improved revenues.

Utilizing validated instruments designed to collect inputs regarding essential competencies and characteristics, the purpose of this research was to identify potential areas of the typical Romanian hospitality worker, as defined by managers leading hospitality businesses. Hospitality by name alone, suggests that personal contact with a customer is a critical component of the business. Hospitality service requires different skills than are needed in a factory or laboratory setting. Therefore, industry identification, acknowledgment, and understanding of these critical skills become increasingly important for hiring and training purposes.

Romanian managers agreed, and the strongest significance was found to be interpersonal and problem-solving. There simply are few hospitality jobs and tasks that do not involve interaction with people and the skills therefore required. Even housekeepers in hotels will have multiple instances of contact with customers, requiring, training in how to interact, follow up, pass along needs and get involved in the satisfaction of every customer. If the goal becomes to better equip Romanian new hires in all areas of hospitality expertise, better-skilled incomers will bring value in the form of increased service. Better service would translate into increased revenues for companies and also could raise interest in leaders of those companies considering entry into other countries with similar hospitality cultures or in expanding their facilities in countries in which they already have a foothold.

Overall, Romania suffers strongly in the real and perceived marketplace as a location or geography that creates a destination and demand. For example, only 11% of the hotel nights were from international visitors compared to an average across Europe of nearly 70%. The inference made as to whether the geography simply didn't provide travel demanded destinations but more probably that travelers did not enjoy the same experiences in Romania as they expected. In either case, a future study on the skills, attributes, and knowledge of new hospitality employees may reveal how the skills needed that would help the Romanian economy and more specifically the hospitality and service sector industries with a goal of gaining market share.

The benefits to the country, hospitality industry and individual companies and organizations will be knowledge of how to improve the training, the expectations of the service providers and the consumers. This increased training will then lead to better-skilled managers, better employees, a higher level of service, improved customer service, repeat customers and increased profitability.

The Provider of services must own the task of improving service output to win greater levels of consumer patronage in a free market environment. Because they (service providers) own the output; their valuation of the skills needed is critical. As is often the case in expansive growth markets, the additional study supports improved output. This paper supports the advancement of understanding the implication of personality inclusion in business decision making.