



EMPLOYEE SATISFACTION IN THE HOTEL INDUSTRY AS A PREREQUISITE FOR CREATING A HOTEL'S COMPETITIVE ADVANTAGE AND ITS IMPACT ON DESTINATION COMPETITIVENESS

Jovan Momirski*

Singidunum University,
Belgrade, Serbia

Abstract:

Analysis of the quality of work of each organization also includes the study of employee satisfaction. This will be successfully realized, however, only when there is feedback as well as the management's willingness to recognize the importance of the employees and their motivation for performing tasks well. Without employees' motivation for work, it is impossible to expect complete organizations to function in the best way. In order to achieve a competitive advantage, it is necessary to properly analyze the factors that affect employee satisfaction. The primary part of the responsibility lies with the manager who performed the staffing; it is one of the key stages in the process of good functioning of the hotel organization. What is crucial in improving factors related to human resources after proper staffing, is to motivate employees in order to create an atmosphere in which they can contribute to the provision of better and higher quality service, and thus the hotel can achieve a competitive advantage. The aim of the document is to define and analyze employee satisfaction as a prerequisite for creating a competitive advantage and to indicate the factors influencing this process. Improving awareness of how important employee satisfaction is in a hotel organization brings multiple benefits to everyone, and most of all to the hotel organization. In this paper, care was taken to cite a lot of different concepts and definitions by different scientists and academic experts, which resulted in the merging of all relevant definitions and the views of different scientists and experts in the field of tourism and hotel industry.

Keywords:

employee, satisfaction, hotel, advantage.

INTRODUCTION

The success of the hotel business, which implies the impossibility of separating the service from providing service, includes employee satisfaction as one of the most important factors for the success of the organization. One of the explanations is that the satisfaction of the employee is transferred to the satisfaction of the guest, which is directed towards growth and profitability. Due to the above, an increasing number of people engaged in scientific research point out that employee satisfaction should be a central part of research in the field of hotel management. The impact on employee satisfaction has a number of long-term positive effects on the achievement of business goals. It is realized as follows. Hotel management is an activity that depends on a large number of factors.

Correspondence:
Momirski Jovan

e-mail:
jovan.momirski@hotmail.com



By analyzing the characteristics of hotel services, the importance of the human factor can be observed. The specificity of the service provision is also reflected in the fact that at the moment of provision and use, they take place at the same time, whereby the impression of satisfaction of the users of hotel services develops or is absent. When we measure the level of satisfaction of the service user, that is, the guest, we must focus on the service providers in terms of analyzing all the factors that affect them. The satisfaction of the employees is directly related to the realization of the competitive advantage of the hotel itself, which can later have a decisive influence on the overall competitiveness of the tourist industry. Thanks to the action of satisfied employees in hotel organizations, the constant presence of guests is attained as well as the attraction of new guests thanks to the spread of positive impressions. In this way, the tourist destination also gains importance because over time the number of satisfied guests increases, and therefore the economic effect is greater. In the past, measuring the level of financial factors was predominantly used as an indicator of success. This is not an insignificant factor, but the improvement of the research indicated the need to introduce other operational indicators that allow measuring the quality of hotel service, monitoring the performance of the competition and the expectations of hotel guests. More and more organizations accept the important role of employees and connect the direct influence that employees have on improving the quality of the organization's work. For this reason, more and more attention is paid to the research of employee satisfaction.

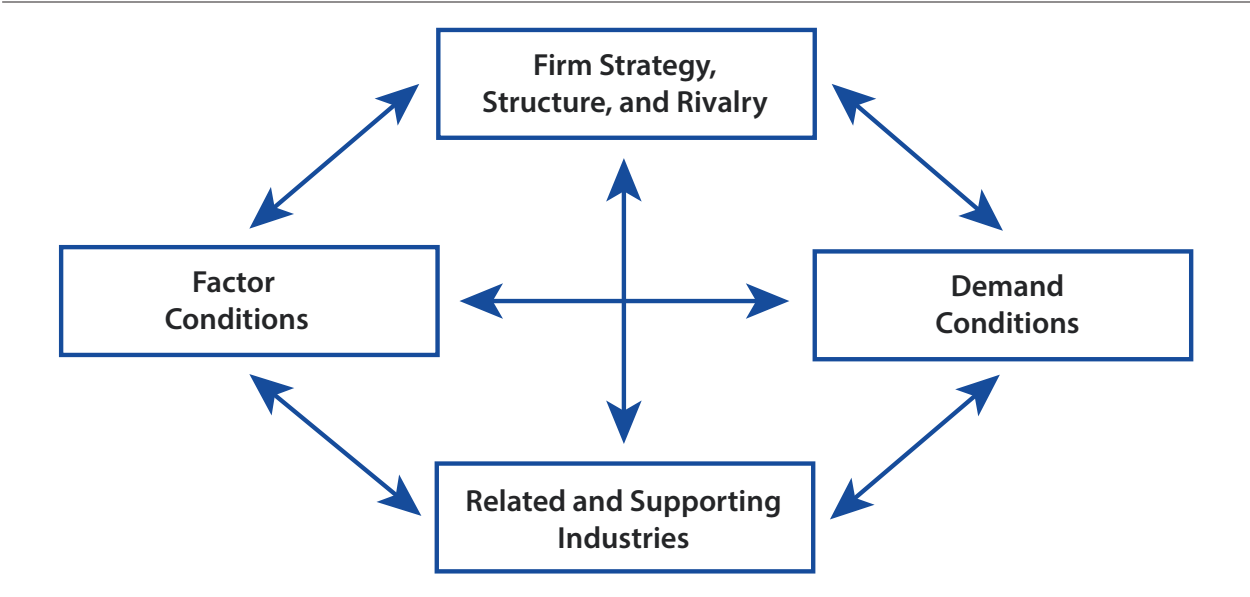
TOURIST DESTINATION

A tourist destination is a complex structure that consists of many components that are interconnected with the aim of providing for the needs of tourists. The name destination comes from the Latin "destinatio", which means destination or ultimate goal. A further explanation can also mean the final destination of the journey. With the development of tourism and its transformation into a mass phenomenon, the concept of destination found a wide application in tourism. Agreeing on the concept of destination is not a simple process. By destination in a broader sense, it is understood that it is a place that attracts a large number of tourists and to which tourism gives characteristics in the sense that the income generated from tourism plays a primary role in its functioning. On the other hand, we have the term "vacation place", which means a city that has a significant amount of tourist facilities that are attractive to tourists. UNWTO defines Competitiveness of a Tourism Destination as "the ability of the destination to use its natural, cultural, human, man-made and capital resources efficiently to develop and deliver quality, innovative, ethical and attractive tourism products and services in order to achieve a sustainable growth within its overall vision and strategic goals, increase the added value of the tourism sector, improve and diversify its market components and optimize its attractiveness and benefits both for visitors and the local community in a sustainable perspective." Along with these terms, it is important to mention the regions within which there are several tourist centers with attractive facilities and complexes that contain recreational facilities in their location. The increase in the global mobility of tourists is increasing, and accelerated growth can be expected due to the development of travel opportunities on a global level that follows the development of information technologies and technological development in the field of tourism as well. Because of this, tourist destinations face competitive challenges that are significantly different from those they had in the past. The size of the tourist destination must be viewed objectively. To be able to do the analysis, the concept of regional tourist destination is introduced. According to Leiper, its limit determines the distance reachable within a day's journey in relation to the place of accommodation. The basic determinants of the content of the term tourist destination are a large number of products, experiences, services, built image, realistic achieved quality and achieved attractiveness based on natural and built values and specific identity. Source (Popescu, J. 2011). *Management of the tourist destination*. Beograd: Univerzitet Singidunum). One of the most commonly used definitions of the subject term reads: "A tourist destination is a tourist-organized and market-recognizable spatial unit that, with its set of products and services, offers complete satisfaction of tourist needs, apropos tourist demand" (Križman Pavlovic and Zivolic, 2008). Bordas, (1994) says "that there are three spheres in the hotel business, namely the technological process, the market and the product itself that satisfy people's leisure wants and needs". Competitive advantage is based on the market, product, and technology, but beyond the boundaries of the hotel at the destination level, because it is very important what it offers to its visitors in the overall sense. Hasan *et al.*, (2000) believe that healthy competition is a good circumstance and that it can be very beneficial to establish cooperation between competing organizations for



the sake of common progress. “A destination’s ability to create and integrate value-added products that maintain its resources and market position relative to competitors” (Crouch and Ritchie, 1999). “A destination’s ability to maintain its market position and share or improve it over time” (d’Hautesserre, 2000). “They include objectively measured variables, namely the number of visitors, tourist consumption, employment, added value, culture, heritage, quality of operations in the hotel business and the quality of the tourist experience” (Heath and Ratner, 2003.) In the long run, the most competitive destination is the one that creates prosperity for its residents (Bahar and Kozak, 2007).

Figure 1. Porter’s diamond of national competitive advantage.



Source: Porter, M. E. (1990). The Competitive Advantage of Nations. Harvard Business Review 68, no. 2 (March–April 1990): 73–93. Boston,USA: Harvard Business School Faculty & Research

EMPLOYEE SATISFACTION

In all economic activities, including tourism, human labor has an important and specific role and characteristics. Tourism is continuously adapting to current trends in the tourist market. Human resources in tourism, through life, work, business philosophy and education at work, tend to adapt to the needs of users of tourist services. (Petrović and Bonacin, 2017). As a factor that plays a central role in the hotel industry, human resources must be satisfied with their work because the quality of their work depends on it. That is why a large number of research are moving in the direction of examining the key factors that contribute to employee satisfaction. These surveys identify the key factors of satisfaction. It was determined that the working environment is based on interpersonal relations, communication between management and employees. Consumer loyalty also depends on their perception and satisfaction, which affects their activities (Perić *et al.*, 2018). Employees are in coordination and must take care of their mutual relationship. because the quality of the service depends on their cooperation at work. Knowledge is an intangible asset of every hotel organization, which should keep this in mind in order to achieve their satisfaction by motivating the values that belong to human resources, which will be reflected in good business. Only a satisfied employee can contribute to the organization and achieve its goals and objectives. (Kong *et al.*, 2018). The fundamental task of managing human resources is to make them capable of joint and successful work, that is, to successfully deal with the problems they face, so that their strengths are effective and their weaknesses are irrelevant. (Buntak 2013). It is undeniable that a higher level of motivation ensures the achievement of a higher level of personal and all other goals. Everyone can motivate themselves and the manager should motivate others as well (Kurtic and Kulovic, 2011). The manager’s task is to encourage factors that positively affect the motivation of individuals and groups and reduce the impact of negative factors. Each employee is motivated by various factors in order to achieve the best possible results and realize set goals. It can be a salary increase, incentive bonuses, the possibility of advancement in the job,



improvement of the organizational structure. It is not only a way for employees to achieve what is expected of them, but also not to leave the organization (Bahtijarevic and Siber, 1999). Given that job satisfaction is a key factor in organizational behavior, it should be understood and monitored and continuously create conditions for their improvement in order to avoid the effects of dissatisfaction that can harm the organization (Tudor, 2010). What is certainly visible is the negative growth, and that is the lack of personnel who can provide a quality response to the challenges in the hotel industry. Employee turnover is high, and the level of satisfaction is low. In such conditions, the behavior is not aligned with the norms at work and there is a possibility that the employees will leave it at any moment, which reduces the quality of the service and adversely affects the business. The influence of management on employee satisfaction implies, first of all, that the conditions that depend on management are fulfilled in the daily business practices. Without appropriate staffing and the level of quality and value through knowledge and motivation of employees, it is not possible to expect their good activities because in that case the abilities are not present. When these conditions are met, it can be expected that the satisfaction of the employees contributes through their business activities to the improvement and continuous growth of the positive business of the hotel organization. In this way the satisfaction of the guests is also achieved, which is one of the crucial factors for the future of the hotel organization. In order for the process to survive over time in the conditions of the advancement of information technology and other technological processes, employees as a key factor of the hotel organization should continuously improve their knowledge, skills and abilities (Perić *et al.*, 2019). To realistically see the impact of employee satisfaction on performance within the organization, we need to see the impact of the extent of performance management. It is very broad and is considered a significant tool for improving employee motivation (Cokins, 2009). When one has an adequate insight into the understanding of the domain of performance, i.e. duties and tasks that fall within the job description in the hotel organization, effective performance management is possible. When this is not achieved, there is a lack of connection that enables the evaluation of employees' performance and the possibility of their improvement. In addition, it is necessary to establish a link to evaluate the performance of one employee in relation to other employees who have the same job description. Performance measurement implies regular measurement of progress towards a precise outcome, which is a basic component in results management (Robert, 2003). Performance is understood as the organization's achievements in relation to set goals and defines performance management as a strategic approach to achieving the organization's lasting success (Armstrong, 2002). Human resource integration is one of the integrations affected by performance management. The others are vertical, which aligns goals at all levels, and functional, which focuses on functional plans. Employees are the main source of competitiveness in modern society, but they cannot create a competitive advantage by themselves until the hotel company puts them in the function of creating and achieving a competitive advantage. The role of employees in tourism is very specific, as is the provision of services. Employees are vital to this business activity. The tourism and hospitality industry faces urgent challenges in terms of managing, retaining and motivating people (Enz, 2001). Jobs in the hospitality industry involve continuous stress and require good organizational commitment. Employee motivation and performance management are a central area of management in the organization because it has a direct impact on productivity, service quality, growth, development, and survival of the organization. Therefore, the management staff should establish an appropriate motivational structure in order to achieve the best possible performance. Theoretically, it is necessary to carry out constant research and lead the application of the theory and its achievements in the practice of the organization. An essential prerequisite for employee productivity is their satisfaction. This connection is very important, but not as strong as it seems at first glance. The reason is that productivity is influenced by many other factors and not only employee satisfaction, the impact of employee satisfaction on productivity reaches a maximum of 20% (Ilić Koderman, 2021). The reasons are numerous and one of the leading ones is of a technological nature. A large number of technological processes determine the speed of work independently of workers. One of the ways in which increased productivity affects employee satisfaction is that it allows for increased rewards for employees, which in turn affects their satisfaction (Radić, V. & Radić, N., 2015).



THE IMPACT OF EMPLOYEE SATISFACTION ON THE COMPETITIVENESS OF TOURISM DESTINATIONS

In order for the entire tourism system to function well, it is necessary to fulfill all the elements that have an impact on its function. One of the elements of the tourist system that significantly stimulates success is the competitiveness of the tourist destination. Without attracting tourists and motivating them to come, there is no possibility for the successful operation of the tourist system. They can be divided into several groups (Križman Pavlovic and Zivolic, 2008): primary factors that include climate, ecology, culture, traditional infrastructure, and secondary factors of the destination which include everything introduced for the needs of tourism - hotels, transport, attractive facilities. Competitiveness as an important factor is gaining more and more importance because more and more world destinations are opening, tourism is developing and there are more and more investments in that development. Factors of competitiveness include certain principles (Poon, 1993) that must be followed in order to achieve competitiveness. These are the environment, respect for economic principles, strengthening of distribution channels in the market, construction and investment in the private sector. Many authors have analyzed these principles and questioned their importance. Regardless of critical views, it is undeniable that they must be taken into account because tourism is the leading sector in the economy. Comparative advantage in tourism is the ability to create a better tourist product and greater efficiency in providing services compared to the competition. This means that the tourist product and service are more optimal compared to the competition. When investing in a tourist destination, we should take stock of all resources and we must not neglect the human factor. Employee satisfaction is a necessary factor for the good functioning of the tourism system, without which progress in this industry cannot be expected. Ignoring problems in this area creates long-term consequences. In this complex business, the impression is created at the moment of service and it is very difficult to correct a bad impression. Profit maximization and investment in the future was accomplished by achieving a comparative advantage. Tipuric (1999) states that competitiveness affects success. According to them, competitiveness is not a matter of success but of survival. "The comparative advantages of a tourist destination are divided into two groups. The first group includes exogenous comparative advantages and the second group includes endogenous comparative advantages." Exogenous comparative advantages include natural resources, and endogenous human resources. Natural resources are partly determined by factors that we cannot influence (climate, natural environment, history, archaeological sites, cultural monuments. Human resources include knowledge, training, technological innovations, creation of events that make a tourist destination attractive. Human resources that are present are staffing as a very important management process. Staffing should be a continuous process that ensures quality in business, thereby positively affecting the competitiveness of the destination. Tourist resources cannot be viewed without people who possess certain knowledge and when assessing the value of tourist resources, it is necessary to think of both people and knowledge resources, which is a factor that is especially lacking in developing countries. In order to achieve a long-term competitive advantage, it is necessary to pay attention to the factors of production. In order to realize this, it is necessary to establish a strategy based on the education of human resources, the protection of natural resources and the expansion of knowledge. When we talk about the difference between comparative and competitive advantage, we can say that comparative advantage refers to available resources, while competitive advantage is expressed in the ability of the destination, in the hotel, to use the resources it owns effectively and efficiently over a long period of time (Zhang & Jensen, 2005). Comparative Advantage in Tourism. A Supply-Side Analysis of Tourism Flows. Amsterdam: European Regional Science Association (ERSA), Louvain-la-Neuve). The Calgary model of competitiveness (CMC) developed by Crouch and Ritchie (1999), Chon and Maier (1995) processed 5 specific factors that appear in tourism, which certainly include barriers to exit or entry, organizational design, technology and value for CMC. it is also mentioned that quality is crucial and should be independent of the price, and must not be dependent on it. Competitiveness is very important for those countries and regions that depend exclusively on tourism. If the destination manages to attract a large number of tourists and satisfy their needs and desires, it will enable the same tourists to return again, which will affect the increase in income from tourism. this is of great importance for other businesses related to tourism. (Gooroochurn and Sugiarto, 2005). The choice of destination is one of the most important decisions a tourist makes when choosing a trip, and this decision is influenced by a large number of factors. Tourists do not have a big influence on these factors, namely accessibility, safety, attractiveness, image of the country (Cizmar and Weber, 2000).



The development of a competitive advantage is a dynamic process because continuous investment is needed to ensure it. In order for us as an organization to be different from others, the hotel must develop certain characteristics that are so impressive and not easy to imitate in the market. What differentiates a hotel from others in its business activities constitutes a competitive advantage. The competition is always fighting to achieve the championship in the market and on the way to that it uses different means. Some of them are related to the imitation of competing successful hotel systems. This represents the risk of drowning in the “mass” and losing competitive advantage. At a time when information systems and technological processes are developing faster and faster, it does not take much time to imitate someone else’s norm in business. Industrial and technological espionage is much easier than it used to be. Therefore, we should work on our own original norms and their protection in order to achieve a successful business future. Factors that still participate in the production of goods or services more favorably than the competition will lead to higher quality business and greater success. Factors that allow this process to develop include a series of costs, engagements, improvement of the quality of the offer and continuous monitoring of modern trends.

CONCLUSION

Competitive advantage ensures profitability and thanks to it, more favorable conditions can be offered for better sales of own services. Competitive advantage is one of the goals that a hotel company strives for in order to stay as successful as possible in business in a destination where a large number of hotels operate. Once a hotel achieves a competitive advantage, it has reached a goal that ensures it increases value and improves its own performance in every sense. Competitive advantage continuously improves and thus enables the creation of ever greater values for the hotel organization. It brings good positioning in the market, superiority in performance and good financial indicators.

REFERENCES

- Andrijanić, I. (2000). Konkurentska sposobnost preduzeća. Urednik Darko Tipurić Zagreb, Sinergija d.o.o., 1999., 420 stranica. *Ekonomski pregled*, 51 (7-8), 798-802.
- Armstrong, M., & Baron, A. (1998). *Performance management: The new realities*. London: Institute of Personnel and Development.
- Bahar, O., & Kozak, M. (2007). Advancing destination competitiveness research: Comparison between tourists and service providers. *Journal of Travel & Tourism Marketing*, 22(2), 61-71.
- Bahtijarević Šiber, F. (1999). *Menadžment ljudskih potencijala*. Zagreb: Golden Marketing.
- Bordas, E. (1994). Competitiveness of tourist destinations in long distance markets. *The Tourist Review*, Vol. 49 No. 3, pp. 3-9. <https://doi.org/10.1108/eb058158>
- Buntak, K., Droždek, I., & Kovačić, R. (2013). Materijalna motivacija u funkciji upravljanja ljudskim potencijalima. *Tehnički glasnik*, 7(1), 56-63.
- Cizmar, S., & Weber, S. (2000). Marketing effectiveness of the hotel industry in Croatia. *International Journal of Hospitality Management*, 19(3), 227-420. [https://doi.org/10.1016/S0278-4319\(00\)00020-7](https://doi.org/10.1016/S0278-4319(00)00020-7).
- Cokins, G. (2009). *Performance management: Integrating strategy execution, methodologies, risk, and analytics*. John Wiley & Sons.
- Crouch, G. I., & Ritchie, J. B. (1999). Tourism, competitiveness, and societal prosperity. *Journal of business research*, 44(3), 137-152.
- D ‘Hauteserre, AM., (2000). Lessons in managed destination competitiveness: the case of Foxwoods Casino Resort.
- Enz, C.A. (2001). What keeps you up at night? Key issues of concern for lodging managers. *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 42, No. 2, 38-45.
- Hasan, I., Hunter, W. C., & Mathis III, R. E. (2000). Promotional expenditures, market competition, and thrift behavior. *Journal of Business Research*, 50(2), 177-184.
- Heath, J. R., & Ratner, M. A. (2003). *Molecular electronics* (pp. 43-49). The National Academies Press, Washington.



- Koderman, Đ. (2021). *Uticaj promene poslovne strategije na proces upravljanja karijerom u preduzeću*. Biblioteka "INITIUM", Zadužbina Andrejević, Beograd.
- Kong, H., Jiang, X., Chan, W., & Zhou, X. (2018). Job satisfaction research in the field of hospitality and tourism. *International journal of contemporary hospitality management*.
- Križman Pavlović, D. i Živolić, S. (2008). Upravljanje marketingom turističke destinacije: Stanje i perspective u Republici Hrvatskoj. *Economic research - Ekonomska istraživanja*, 21 (2), 99-113. Preuzeto s <https://hrcak.srce.hr/38173>.
- Kurtić, A., Kulović, D. (2011). *Poslovno vođenje*. Jordan studio: Centar za lično i profesionalno usavršavanje-CLPU, Sarajevo.
- Peric, G., Dramićanin, S., & Sančanin, B. (2019). Employee satisfaction in hotel industry: The case of hotel Radan in Prolom Banja. *BizInfo (Blace) Journal of Economics, Management and Informatics*, 10(2), 25-41.
- Petrović, M., & Bonacin, M. (2017). Menadžment ljudskih resursa u hotelijerstvu i ugostiteljstvu. *Zbornik radova Međimorskog veleučilišta u Čakovcu*, 8(1), 51-57.
- Poon, A. (1993). *Tourism, Technology and Competitive Strategies*. CAB International, New York.
- Popesku, J. (2011). *Management of the tourist destination*. Beograd: Univerzitet Singidunum.
- Porter, M. E. (1990). The Competitive Advantage of Nations. *Harvard Business Review*, 68, no. 2 (March–April 1990): 73–93. Boston, USA: Harvard Business School Faculty & Research.
- Radic, V., Radić, N. (2015). *Uticaj motivacije zaposlenih na performanse organizacije*. 353-358. 10.15308/Synthesis-2015-353-358.
- Tipurić, D. (1999) *Konkurentna sposobnost poduzeća*. Zagreb: Sinergija.
- Tudor-Locke, C., Brashear, M. M., Johnson, W. D., & Katzmarzyk, P. T. (2010). Accelerometer profiles of physical activity and inactivity in normal weight, overweight, and obese US men and women. *International Journal of Behavioral Nutrition and Physical Activity*, 7(1), 1-11.
- Zhang, J., & Jensen, C. (2005). *Comparative Advantage in Tourism*. A Supply-Side Analysis of Tourism Flows. Amsterdam: European Regional Science Association (ERSA), Louvain-la-Neuve.