

# The managerial competencies required by Indonesia's leading hotel groups: A preliminary investigation

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**ABSTRACT:** This study investigates contents from the websites of leading hotel groups in Indonesia which specify the competencies that are required by star hotels for potential managerial level recruits. This preliminary investigation identified a list of competencies that are expected by hotels and incorporated them into Sandwith's competency domain model with a view to determining the essential competencies. The results showed that leadership and interpersonal competencies were deemed as the most expected competencies at both junior and senior management levels. The identified competencies may be used as a basis for providing a better understanding of hotel manager competencies as a foundation for improving hospitality curricula in Indonesia.

**Keywords:** managerial competencies, hotels, managers, Indonesia

## 1 INTRODUCTION

Tourism becomes one of the pillars of Indonesia's economic growth as Indonesia welcomed about 9.4 million international travelers which showed a 7.2% growth from the year 2013 (Thadani et al. 2015). A growing number of tourists' arrival to Indonesia has inevitably driven an increase number of hotels built in Indonesia. According to Indonesia Hotel Watch 2015, Indonesia has witnessed the opening of 756 hotel properties with a cumulative room of 77.170 rooms between 2009 and 2014 (Thadani et al. 2015).

The high growth of hotel construction throughout Indonesia has led to the significant demand of human resources to fill huge positions in the hotel sector. Recruiting qualified human resources can be challenging as stated by Negara (2014) that highly educated and well-trained human resources are critical for an innovation-driven economy. The competition among workforce becomes much higher as the ten countries in Southeast Asia (Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, Cambodia, Laos, Myanmar, and Vietnam) have agreed to establish the ASEAN Economic Community (AEC) starting December 31, 2015. The AEC has become a big milestone particularly for Indonesian workforce to prepare themselves to compete with more than 600 million people across ASEAN countries.

There has been a consensus among industry practitioners that human resources-related skills become the most essential component of the success of hospitality management in order to be competitive in the market (Kay & Moncarz, 2004; Brownell, 2008). Accessing competencies required in hotel sector therefore has become a topic that has been around for many years (Millar et al. 2010). It is important for employers to identify what competencies required for a particular position before organizations recruit their employees (Siu, 1998). Although previous studies have revealed several competency models or approaches from different perspectives of hospitality professionals, educators, and graduates, yet only few studies conducted in South-East Asia which examine the managerial competencies from different functional area such as food and beverage, room division, and sales within a classified hotel, such as three-star, four-star, and five-star hotels. Also, there is no prior study has been conducted to identify managerial competencies needed by hotel industry in Indonesia. This paper is a preliminary study to provide an initial assessment and exploration of the essential managerial competencies needed by the leading hotel groups in Indonesia. The findings of this study are expected to enhance the capacity of hospitality education in Indonesia to examine the competencies needed by hospitality graduates, particularly for entry- and middle-level managers.

Understanding the managerial competency expectations of practicing hospitality managers in different management levels could be useful for hospitality educators to develop and formulate better quality curricula.

## 2 LITERATURE REVIEW

### 2.1 Defining competency

Perdue et al. (2002, p.142) defined competency as “certain motives, traits, skills and abilities are attributed to people who consistently behave in specific ways”. While, Nath and Raheja (2001, p. 26) defined it as “a combination of observable and applied knowledge, skills and behaviors that create competitive advantage for an organization”. Tas (1988) viewed competencies as the activities and skills which are believed as important to perform certain duties at a given job. This statement was expanded by Brophy & Kiely (2002) to incorporate attitudes as a competency. Referring to the definition given by educators and the industry practitioners, the competency or knowledge, skills, and abilities required by the workforce is the “need to know” (Millar et al. 2010). Parry (1998) described competencies as “a cluster of related knowledge, attitudes, and skills that affects a major part of one’s job” (p.60). According to Dessler (2009), job competencies are measurable and observable behaviors that help organization to identify skills required by workforces to perform effectively in a particular position. Therefore, competency is now applied to portray a person’s ability to fulfill a certain job effectively (Tsai et al. 2006).

### 2.2 Competency models

Prior studies have been conducted to formulate and develop competency model as a tool to recognize and categorize competencies required to perform a certain job effectively in an organization (Chung-herrera et al, 2003). The nature of the hospitality industry with its dynamic and major market changes has urged a great need of hospitality managers who must possess proper competencies to adapt with changing environmental demands (Suh et al. 2012). A competency model was described by Lucia & Lepsinger (1999) as a descriptive tool to identify knowledge, skills, abilities, and behavior needed to perform adequately in an organization.

The model developed by Sandwith (1993) is widely adopted in assessing competency. this competency model also become one of the most popular approach adopted by many scholars in the hospitality and tourism field (Millar et al., 2010). Sandwith’s competency domain model categorizes competencies into five distinctive domains, namely (1) conceptual/creative domain, (2) leadership domain, (3) inter-

personal domain, (4) administrative domain, and (5) technical domain.

## 3 METHODOLOGY

An exploratory qualitative research technique was used to assess managerial competencies required by leading hotel groups in Indonesia. The main objective of this study is to portray the managerial competencies needed by star hotels in Indonesia for management level, entry- and middle-level managers.

### 3.1 Data collection

Managerial competencies required for this study were collected from the internet through the career path in the hotel chains’ website. This approach was employed because the Internet nowadays has been a popular approach for companies to “recruit potential employees, with competition for qualified talent being online” (Borstorff et al. 2005, p.2).

This study collected data from the websites of the top 10 leading hotel groups in Indonesia as cited by Sudrajat (2012) from HVS Global Hospitality Services. It encompassed six international and four domestic hotel chains based on the size of the room inventory (see Table 1). The authors collected all of the information from the 10 hotel group website about the job position requirements for entry-level as well as middle-level management under three-star, four-star, and five-star hotels. All the data was collected and sorted from each hotel chains’ website for all the vacancies posted as per November 2, 2015.

Table 1. Leading hotel groups in Indonesia as of 30 June 2012

Rank	Hotel groups	Chain	Number of rooms
1	Accor	International	10,837
2	Aston International	International	6,087
3	Santika Indonesia Hotels & Resorts	Domestic	5,653
4	Swiss Bel-hotel	International	4,196
5	Starwood	International	2,702
6	Tauzia Hotel Management	Domestic	2,319
7	Sahid Hotel Network	Domestic	2,042
8	IHG	International	1,995
9	Hyatt	International	1,971
10	Aryaduta Hotel Group	Domestic	1,725

Source: HVS Global Hospitality Services (2012)

### 3.2 Sample and data analysis

Among the 10 leading hotel groups in Indonesia, only five hotel groups provided job vacancies with specific requirements for each position, namely: Accor,

Starwood, Hyatt, IHG, and Aryaduta. Aston International and Sahid hotel network did not provide job vacancies required in their hotel website. Aston International's job position must be accessed through Facebook or Google, while job seekers for Sahid hotel must send their applications directly to the Human Resources Department. Santika Indonesia Hotels, Swiss Bel-hotel, and Tauzia Hotel Management groups only provided very general requirements for all positions such as a minimum of two years experience in a similar position, proficiency in English both oral and written, dynamic, self-motivated, friendly, team spirit, and strong leadership qualities.

A total of 16 hotels (nine hotels of five-star hotel, five hotels of four-star hotels, and two hotels of three-star hotels) has been selected and sorted across five hotel chain websites. Because of limited number of hotels and position offered by three-star hotels, the authors decided to merge the job vacancy offered by three- and four-star hotels together for further analysis. A total of 108 positions offered were thus collected and extracted with the two hotel classifications (three-/four-star, and five-star hotels), two managerial levels (entry-level management and middle-level management), and four functional areas (food and beverage, room division, sales, and others).

Content analysis was employed in this study. Research using content analysis analyzes texts by calculating a specific theme (Lu & Zhu, 2006) and focuses on language as communication with the highlight on content and contextual meaning of the text (Tesch, 1990). Once the competencies had been collected and summarized, the competencies discovered in each position and type of hotel within the main functional area in hotel, such as food and beverage, room division, and sales/marketing were incorporated into several categories. The categories of managerial competency were adopted from Sandwith's competencies domain model (1993).

#### 4 FINDINGS

After sorting the jobs offered by five hotel groups from each website for entry and middle level management in different functions, the detailed summary of the sample used can be seen in Table 2. This study utilized 63 positions from five-star hotels for entry and middle-level management, 45 positions from four and three-star hotels. Middle-level manager position in five-star hotels dominated the jobs posted with 56 job vacancies offered, and in four and three-star hotels were 21 and 24 positions for entry-level and middle-level manager respectively. The number of job vacancies posted by the hotel website can be seen in Table 2.

Table 2. The number of job vacancies posted in the hotel websites

	5-star hotel		4- & 3-star hotel	
	Entry-level	Middle-level	Entry-level	Middle-level
F&B	4	19	2	6
Room Division	1	7	9	5
Sales/marketing	2	20	10	7
Others	-	10	-	6
Total	7	56	21	24

#### 4.1 Food and beverage

Among five competencies domains, hotels of all-star-ratings shared the same finding in which the leadership domain was the most dominant competency required for the managerial level in the food and beverage area, followed by the interpersonal domain. The administrative domain seems to be the least required by this department. However, in middle-level management in five-star hotels, technical competencies were viewed as important as interpersonal skills. This showed that technical skills were still heavily required in a food and beverage area, particularly for basic computer skills, such as Microsoft office and other major hotel computer programs, such as Delphi and Opera. In the leadership domain, excellent management skills were required, followed by strong leadership skills. While, in interpersonal domain, food and beverage managers need to possess good communication skills to be able to facilitate communication process to their customers, subordinates as well as top manager. All managerial level from all hotels had the same requirement in technical domain which was the ability to possess basic computer skills, such as excel, powerpoint, and words. The competencies required in middle-level managers was higher than in entry-level managers since middle-level managers are expected to bear more responsibilities to operate and manage their department. As stated by Sandwith (1993), the higher the level of the management position, the higher the demand required for competencies.

For food and beverage areas, recruits were expected to have knowledge in the food and beverage area and be able to develop and implement food and beverage promotions and strategies. They should also be familiar with sanitation, health, and hygiene issues. These requirements particularly are more likely for the five-star hotels. This can be understood as five-star hotels usually have more food and beverage outlets and bigger operational focus which require more skillful and competent managers in the food and beverage operational.

#### 4.2 Room division

In this study, rooms division refers to the front office and housekeeping departments. For middle-level managers in five-star hotels, leadership was highly required compared to other domains as these senior managers were required to have passion in improving quality awareness towards their jobs. While in three-star hotels, both entry and middle-level managers were expected to possess more interpersonal than leadership skills. Leadership and interpersonal competencies were required equally for four-star hotels. Technical domain particularly proficient use of Microsoft words (excel, powerpoint, and words) and Opera were highlighted for room division areas. Overall, it can be said that leadership and interpersonal competency are more dominant needed by junior and senior managers in room division department.

#### 4.3 Sales/marketing

In sales/marketing department, leadership and interpersonal domain were also noted as the two most required competencies among all the classified hotels. Interpersonal skills were required mostly because in sales/marketing department, both entry-level and middle-level managers are expected to meet and attract customers to the hotels and they must have an ability to communicate well. The employers also required middle-level managers to have strong interpersonal skills with both internal and external stakeholders. While, leadership competency was expected to be possessed by middle-level managers than interpersonal competency with the dominant role-model such as highly driven and self-motivated, take initiatives, professional in appearance and manner, and attention to details.

#### 4.4 Others

Other departments refer to department or positions which were not specifically under food and beverage, room division, and also sales/marketing areas, such as assistant human resource manager, human resource manager, learning and development manager, resident manager, and hotel manager. Leadership competencies were highly valued by the management of five-star hotels as well as four-star hotels when recruiting middle-level managers, such as hotel manager, revenue manager and human resource manager, followed by interpersonal competencies for five-star hotels and conceptual domain for four-star hotels. As this department covers more than a specific area (human resource managers, hotel managers, and so on), the conceptual domain becomes essential, particularly for middle-level managers. The conceptual competencies are very important as managers are expected to possess the ability to adapt

with dynamic market changes and unforeseen environmental demand (Suh et al., 2012).

## 5 DISCUSSION AND CONCLUSION

The significant growth of the hotel industry in Indonesia has led to increased demand for qualified and competent managers. This preliminary research has investigated the managerial competencies that are required by three hotel classifications (three-, four-, and five-star hotels) and two levels of management (entry- and middle-level). The findings may provide useful insights about competencies needed by the hotel industry for certain managerial positions as prior studies have not done yet in Indonesia. In this study, knowledge, skills, and attitudes/abilities required for employees were incorporated into Sandwith's domain model to identify what competencies need to be performed in certain departments and/or positions.

From the findings, it can be concluded that leadership and interpersonal were the most dominant competencies at both management levels (junior and senior level managers) within all departments (food and beverage, room division, sales, and others). This supports Kay & Russette's study (2000) that identified "interpersonal and leadership competencies are essential for managerial success" (p.53). It means that the hotel industry seems to expect their managers to have strong leadership skills to manage their subordinates and to be a role-model for particular attitudes or traits, such as outgoing personality, passionate, confident, honest, energetic/dynamic, and have integrity. Interpersonal skills, particularly strong communication skills to deal with guests and subordinates were also considered to be crucial as the nature of hospitality industry is people oriented and intensive (Millar et al, 2010). Compared to others, sales and marketing department demands interpersonal skills, especially when dealing with internal and external stakeholders. This is unsurprising because the responsibilities of sales or marketing people are to sell their products and services to people which ability to facilitate communication process is very important.

The managers of five-star hotels were most likely to recruit managers with strong leadership competencies rather than interpersonal competencies, particularly for middle-level manager. This is unsurprising because five-star hotels have more products and services to offer with a wider range of rooms and facilities to manage, therefore requiring managers with an excellent leadership competency. In the case of four-star and three-star hotels, the requirements for leadership competencies were roughly equal to interpersonal competencies. In smaller properties with fewer people, it is deemed crucial

that managers have more ability to communicate and manage efficiently.

The results of this study also concluded that food and beverage as well as other departments, such as human resources need candidates to possess relatively stronger leadership rather than interpersonal skills. In the case of the rooms division and sales/marketing departments, interpersonal competencies were more expected than leadership competencies.

## 6 LIMITATION AND FUTURE RESEARCH

All of the data collected for this study were extracted from hotel websites with a view to providing information that relates to competencies required by hotel management. This might create bias in the sense that what is stated on websites may differ from what is truly required. Also, not all hotels posted comprehensive competencies on their respective websites. Efforts need to be made by the authors to triangulate the data collection and analysis from the perspectives of other stakeholders such as hotel professionals, educators, and students or alumni in order to reliably formulate what managerial competencies actually required by each management level and department.

Future studies need to be more in-depth and focused on investigating managerial competencies from the perspective of hotel practitioners, educators, and students in order to determine the gaps that might occurred among those stakeholders. Educators must continually identify and explore the essential competencies required to fill the growing demands of the hospitality industry (Sisson & Adams, 2013). There is a pressing need for better collaboration between hotel education institutions and the hospitality industry in order to improve human resource development in Indonesia. Through a better curriculum which meets industry expectations, it is expected that hospitality education, especially in Indonesia will be better placed to produce qualified and competence managers in the hotel field. As was stated by Martin (1998) "a successful future for hospitality students means a successful future for the hospitality industry" (p.25).

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