How does Employees’ core Competencies influence Performance Outcomes?

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Abstract
This study investigated line staff's core competencies to their performance outcomes with an existing performance appraisal system used at a five-star hotel in Saudi Arabia. A focus group was used to determine the initial core competency requirements for food and beverage line staff. Data were obtained from 260 survey questionnaires distributed to food and beverage managers, human resource managers, and hotel manager who were required to participate in this study. A survey questionnaire was conducted to analyze managers’ expectations about line staff core competencies requirements, as well as their opinions about line staff performance outcomes in the food and beverage division at Saudi Arabia's five-star hotels. Nine scales representing managers’ expectations about staff core competencies and three scales indicating employee performance outcomes were included. A deceptive analysis, correlation, and regression were used to find the relationship between the variables.

The findings of the study indicated that there is a positive and significant relationship between line staff's core competencies and their performance outcomes, showing that improvement of core competencies could lead to better performance outcomes.

Keyword: Performance outcomes, core competencies, line staff jobs.

Introduction
Competency tenets are often standardized, yet each position and task is different in its own right, necessitating requiring different characteristics of measurement. Competencies must be classified differently, assessed independently, and shown appropriately (Tomé, 2011). The organization should guarantee that the competency of its employees is evaluated, sustained, proven, and enhanced on a continuous basis. In terms of employee competency, it’s the abilities required vary depending on the role, work, and organization. Consequently, many organizations’ respective scopes of competency have been clearly distinguished (Rabiah et al. 2007). However, a set of critical competences or “core competencies” must be formed and defined regardless of the roles, positions, and levels that exist in companies. These basic qualities are required to function successfully on the job. Regardless of the type of task (big or small) and position (lower, medium, or higher level), the generic skills list assists companies in determining the aspects of competency required from their personnel.
Employees’ core competencies are influenced by a variety of factors at work. These factors determine whether a person does a good job. Employee performance measures the outcomes of particular activities taken by employees to help the business achieve its goals. It is described as the method of carrying out job responsibilities in accordance with the job description. Performance is the skill of completing a task within the parameters that have been established. Employee performance is influenced by a variety of core competencies (Armstrong, 2003).

According to Woods (2000), most hotel staff lacking career structure and regard their positions as dead ends, which might have negative impact on hotel recruiting and selecting employees. Furthermore, Pizam (2013) said that the decline of tourism and the hospitality sector due to a lack of excellent hospitality, since the employees are inefficient, because the majority of them have a fault of the core competencies, do not have a proper education, and do not have the hospitality skills.

As a result, the hotel business has gained greater attention for employees with lower performance (Danzfuss, 2012).

Employees are one of the most significant assets for hospitality firms in their efforts to develop and give superior service delivery and enhanced guest experience, as well as exceed customer expectations and attain strategic advantage and outstanding achievement (Kusluvan et al., 2010). Many organizations have established competency-based training in order to increase employee performance and test people against pre-determined standards (Maimunah, 2011). Hospitality training contributes to the expansion of on-the-job competencies. Training may be a significant tool in developing employees' competencies.

The current study's aim is to discover the core-competencies that influence employees’ outcome performance in the workplace of hotel industry in Saudi Arabia and to determine whether there are any significant relationship between employees’ core-competencies and performance outcome.

The purpose of this study is to find out to what extent do core competencies of line staff employees influence their performance outcomes?

**Literature review**

**Competencies**

Competencies are a combination of observable and practical information, talents, and behaviors, which provide a hotel company with a competitive advantage. It is focused of how an individual creates value and what is really accomplished (Armstrong, 2003). Hollenbeck and McCall (2005) demonstrated Competencies as a challenging to establish or construct a competence model that is appropriate for the organization since competency needs change over time. As a result, determining which skill produces the strongest predictors of performance is time-consuming and necessitates rigorous investigation. According to this theory, having a large number of skill sets may send the wrong signal to organizations in determining which competency or competencies are the greatest indicators of performance. As a result, a thorough selection of competence sets will undoubtedly assist to identify indicators of staff performance.
Levenson (2005) mentioned that competencies appeared to be key predictors of organizational and employees performance. Furthermore, Cheng et al. (2005), argued that in order to improve performance, organizations should recognize, improve, and mix personal talents with task-specific or job-based capabilities. According to Ejler et al. (2011), the commodity that is requested, desired, and anticipated by customers or consumers in a service-based sector is the competences of the personnel employed by the service providers.

DeNisi, nathand Protchard (2006), identified numerous sorts of important competencies, including knowledge and skills concerning people, industry, technology, and technical.

Saleh et al., (2015), suggested that employees must learn and develop a variety of competencies, including communication skills, leadership abilities, general industry knowledge, accounting knowledge, problem-solving skills, information technology, personal attitudes and capabilities, and computer skills.

According to Cheetham and Chivers (2000), there are two types of major competencies: functional competency (which emphasizes skills required to perform a task or job efficiently and effectively) and personal competency (which emphasizes personal qualities or attitudes and behaviors required for performing successfully).

**Employee Performance**

According to Björkman et al. (2013), employee performance is a result of job performed by individuals that are tailored to the individual's role or task inside a company at a specific time period, which is associated with a specific standard size or value of the company in which the individual works. According to Singh and Chan (2015), performance is the result of employees working in accordance with the job's objectives.

Boxall, and Macky (2009) defined performance as a representation of information for monitoring work success rate in accomplishing goals. Achievement is defined by Chan (2015) as "the quality and productivity of the outputs (output) of a person's or group's work in order to enhance the person or group's performance," and it is an important component of all management levels. To reach organizational goals, a person's performance implementation must be backed by relevant competences and a strong sense of self-motivation.

According to Boadu et al. (2014) A performance standard is a description of the performance initially given), element(s), or expectation(s) that must be creative in order to be rated at a specific level of performance. Each important element must have a Fully Successful (or comparable) benchmark defined and incorporated in the employee performance plan. If the assessment program uses further levels of performance, setting criteria for those levels and including them in the performance management process is not mandatory but is suggested so that employees are aware what they need to do to reach requirements higher than Completely Successful.

Hervie (2016) explained that Employee performance should be judged against a specified requirement under employees Competencies. Employees should be informed of the requirement. Employees are given goals to strive for. These goals are based on personnel skills, which include technical, interpersonal, and management abilities.
Employee performance is critical for every business since an organization's success is defined on the originality, inventiveness, happiness, and dedication of its employees (Ramlall, 2008). Furthermore, excellent employee performance and productivity growth are crucial for economic stability since they enhance salaries and increase the availability of commodities for consumption.

**Career Development**

Employees can benefit from career development by participating in job training and other types of professional development in order to improve their new advanced skills, take on more responsibility at work, improve their status, and earn a higher income, all of which are aimed at advancing their career. Organizations will become more effective and efficient if its professional staff understand how to use their skills and abilities in the workplace to properly manage assignments and successfully complete their jobs in order for their organizations to flourish (SHRM, 2013).

Hotels invest in career development because it adds value to the staff, and company. According to Lewis and Arnold (2012), properties offer professional and development progression, performance reviews for career planning, and mentorship programmers, which corporations might use to help people manage their careers development. According to Guan et al. (2015), the phrase “career development” typically refers to the many standard operating procedures that are intentionally put in place to increase employees’ career efficiency. However, plans vary in terms of elements such as the design of career goals and paths, the identification of employees who require training, and the assessment of career planning activities and outcomes. Lips Wiersma and Hall (2007)

**Performance Impact**

In the workplace, the relationship between employees and their employers is considered as a connected perspective between their supervisor's management and their overall working attitudes in their organization. Management style is typically one of the most serious concerns, because it may have a direct or indirect impact on staff performance, productivity, and an organization's reputation.

Manzoor et al. (2011) explained that when it comes to building a solid working connection, there are numerous crucial elements to consider. To begin with, having a strong relationship with your direct supervisor will allow you to respond to colleagues' needs and difficulties more efficiently. Second, communication between employees and senior management is critical because good communication from senior management may offer direction to the workforce.

The third component is self-determination and independence, which means that organizations provide their employees with the flexibility to decide how and when tasks are completed in order to improve employee satisfaction and engagement; it also maintains employees accountable for their work outcomes and motivates them to perform better. Finally, management's public or private recognition, rewards, and incentives for employee work performance are a low-cost technique for enhancing staff morale, productivity, and competitiveness (SHRM, 2013).

Based on the literature review, the following study Hypothesis is proposed

Hypothesis:
There is significant relationship among the independent core competencies that influence the employees’ performance outcome.

Methodology

Conceptual Framework
The current study intends to evaluate the relationship between employees’ core competences and their performance outcomes in food and beverage division in a number of Saudi Arabia five-star hotels. In order to approach this aim, the suggested framework was adopted. The study's variables have been illustrated in figure 1 to demonstrate the relationship between core competencies as an independent and Performance outcome as dependent variables.

Data Collection
A focus group was used to determine the initial core competencies requirements for food and beverage line staff. This study was carried out using various items from a previous study by Bekele et al., (2014), as well as the line staff assessment forms used to evaluate the line employees performance at Fairmont Hotels, Hilton Hotels, and Sheraton Hotels. A survey questionnaire was conducted to analyses managers' expectations about line staff core competencies requirements, as well as their opinions about line staff performance outcome in the food and beverage division at Saudi Arabia's five-star hotels. The majority of the questionnaire items were modified from Behn's (2003) study, which used the questionnaire to measure the performance of the staff. To accommodate international
managers who may not be fluent in Arabic, the survey items were written in both English and Arabic.

The questionnaire is composed of 19 items, and each has a few sub questions. The questionnaire was divided into three sections: demographic information, employee’s core competencies, and employee’s performance outcome. All of the questionnaire items in the study were created using a three-point Likert scale. It provides a grading system with three answer categories ranging from (3 = Exceed Expectations, 2 = Meet Expectations, 1 = Below Expectations), in which respondents express their opinions by stating how strongly they agree or disagree with the statements. The questionnaires were distributed to the food and beverage managers, human resources manager, and hotel managers of the participating hotels in Makah, Saudi Arabia. A total of 350 questionnaires were distributed, with 261 (74.5%) of them being collected for examination.

**Data Analysis**

A descriptive analysis with mean and standard deviation was done to establish the average of managers' expectations and perceptions. A liner regression was used to evaluate the association between employees core competencies and employees outcome performance. Correlation tests were then run to establish the strength of the relationship between employees core competencies variables and employees outcome performance components.

**Validity and Reliability**

The validity and reliability of the questionnaire were examined in a pilot study with 20 food and beverage managers from three hotels in Makah, Saudi who participated in the focus group. Their suggestions for improving item clarity, readability, structure, and appropriateness were considered for inclusion in the final survey instrument.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach's alpha</th>
<th>N of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Competencies</td>
<td>0.83</td>
<td>9</td>
</tr>
<tr>
<td>Performance outcome</td>
<td>0.91</td>
<td>6</td>
</tr>
<tr>
<td>Overall questionnaire</td>
<td>0.96</td>
<td>15</td>
</tr>
</tbody>
</table>

The results of the pilot test shown in table 1 demonstrated a wide range of management judgments about employee performance in the workplace. To assess the reliability of each component, Cronbach's alpha coefficients ranging from 0.83 to 0.91 for individual performance factors and a coefficient of 0.96 for the entire survey were employed.

**Results and Discussion**

The answers were evaluated and analyzed in relation to all subjects involved and the questions asked. Descriptive statistics were used to determine frequency distribution for age, gender, education, and tenure. The demographic information of 261 (75 percent) of the 350 managers who answered the study questionnaires is graphically represented.
Figure 2 displays a graphical analysis of the sample's demographic breakdown. The largest of participants (n = 107, or 41%) are between the ages of 30 and 39. This is followed by 90 (34.5%) of respondents aged 40 to 50 years. The age group 20-29 years old accounts for 19.5% (n = 51) of the sample. The majority of responders (n = 13 or 5%) are over the age of 50. As a consequence of the findings, it is reasonable to suggest that the most of the workforce participating in the study is fairly young, ranging in age from 30 to 39 years old.

Figure 3 shows the sample's gender distribution. The sample had a greater proportion of male participants than female participants. Majority participants made up 66.3% (n = 173), while female participants made up 33.7% (n = 88).

The high proportion of men in this section is attributable to the culture and customs of the country, specifically, in Mecca, which is considered one of the religious areas where foreigners are not allowed to enter.
Figure 4 displays the sample's professional categories. Food and beverage managers make up 43.3% (n = 113) of the sample, Asst. food and beverage managers make up 33.3% (n = 87), director of human resources make up 9.6% (n = 25), director of food and beverage make 8.8% percent (n = 23), hotel managers make up 5% (n = 13).

Figure 5: Experience
Figure 5 demonstrates that the average of respondents (n = 93 or 36.6%) are in less than 4 years’ experience group, while 84 respondents (32.2%) are in the 5-10 years’ experience group. Forty-five (17.2%) respondents are in the 11-15 years’ experience

Mean and standard deviation

The primary objective of this study was to investigate the influence of the independent variables (Quality of work, Productivity, Work Consistency, Ability to work under Pressure, Group Work, Attendance, Attitude, Flexible, Respectful, Cooperative, Honesty and Integrity, and Ambitions) on dependent variable performance outcome.

Table (2) illustrates the various aspects of the line staff core competencies, with the overall employees core competencies scale (Mean=2.25, sd=.28) suggesting that these factors are important to respondents. The significance attributed to quality of work ratings in line staff core competences provided the highest mean (Mean=2.45, sd=.56). Ambitions section then explained and cascaded the primary performance criteria (Mean =2.41, sd=.68).

<table>
<thead>
<tr>
<th>Line staff core Competencies</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of work</td>
<td>2.4521</td>
<td>.55695</td>
<td>.03447</td>
</tr>
<tr>
<td>Productivity</td>
<td>2.3985</td>
<td>.62191</td>
<td>.03850</td>
</tr>
<tr>
<td>Work Consistency</td>
<td>2.2950</td>
<td>.65716</td>
<td>.04068</td>
</tr>
<tr>
<td>Ability to work under Pressure</td>
<td>2.2605</td>
<td>.70788</td>
<td>.04382</td>
</tr>
<tr>
<td>Group Work</td>
<td>2.1418</td>
<td>.70097</td>
<td>.04339</td>
</tr>
<tr>
<td>Attendance</td>
<td>2.2222</td>
<td>.66538</td>
<td>.03929</td>
</tr>
<tr>
<td>Attitude, Flexible, Respectful, Cooperative</td>
<td>2.3563</td>
<td>.58790</td>
<td>.04700</td>
</tr>
<tr>
<td>Ambitions</td>
<td>2.4138</td>
<td>.67741</td>
<td>.04780</td>
</tr>
<tr>
<td>Honesty and Integrity</td>
<td>2.2490</td>
<td>.54354</td>
<td>.03364</td>
</tr>
<tr>
<td>Total</td>
<td>2.2495</td>
<td>.28381</td>
<td>.0172</td>
</tr>
</tbody>
</table>

The ratings for the remaining items are as follows: Productivity (Mean=2.39, sd=.62); Attitude, Flexible, Respectful, Cooperative (Mean=2.35, sd=.59); and Work Consistency, Ability to work under Pressure, Attendance, and Honesty and Integrity are between means rating (2.29 to 2.22). The lowest ranked item in terms of relevance is Group Work (Mean=2.14, sd=.70). The estimated overall standard error of 0.017 is very small, indicating that the means are near to the real mean of the entire population.

Table (3) depicts the various components of the performance outcome, the items that produced the highest mean in terms of managers expectations about employee performance outcome by the respondents is “To what extent did they raise the standard of quality through work?” in performance impact (Mean=2.33, sd=.57). This is followed by “To what extent was this person invested in learning new skills?” in development section (mean=2.25, sd=.62). The estimated overall standard error of 0.023 is very small, indicating that the means are near to the real mean of the entire population.
The means for the remaining elements are as follows:

“To what extent did this person achieve their set KPIs?” (mean=2.16, sd=0.75); “To what extent did they demonstrate a desire to grow as a professional?” (mean=2.13, sd=0.78; and “To what extent did this person contribute to any major initiatives?” (mean=2.06, sd=.77).

The least important factor is: “To what extent did they deliver on the team’s expectations for their role?” (X=1.75, sd=.77).

Overall, the assessment of performance outcome aspects in Saudi hotels is (mean=2.20, sd=.37), indicating that respondents recognized these performance outcome components of the food and beverage division's line staff.

**Results from Correlation**

To assess the associations between the variables, a correlation analysis was performed (Table 4). The evaluation was positively and significantly correlated with sex key competences out of nine. Quality of work (r=.278, p=.00); Productivity (r=.294, p=.00); Work Consistency (r=.181, p=.00); Group Work (r=.226, p=.00); Attitude, Flexible, Respectful, Cooperative (r=.334, p=.00); Honesty and Integrity (r=.204, p=.00). Overall, the correlations are moderate, and we cannot establish the nature of the differences among the variables based on the given data.
These findings demonstrated a moderate association, and improving these areas is crucial since they are predictors of the level of management expectations about the line staff core Competencies to their performance outcome.

**Results from the Multiple Regression Analysis**

A simple regression analysis was conducted to estimate the value of a dependent variable outcome, Performance outcome, based on the values of nine independent factors, and to examine the relationship between independent and dependent variables. Table 5 indicates that the model is statistically significant with a p-value of zero to three decimal places. The model's item correlations are 57%, and the R-squared value is 0.325, indicating that the variables in the model explain for about 32.5% of the variance in performance outcome. The Durbin-Watson statistic of 1.542 is between the two crucial values of 0.5 and 2.39, with F = 13.434 being highly significant, thus we may suppose that the variables in this model have a linear associati
According to the ANOVA Table, there are statistically significant differences in variables means. The model is statistically significant with a p-value of zero to 3 decimal places (Table 6).

Table 6
ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>11.910</td>
<td>9</td>
<td>1.323</td>
<td>13.434</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>24.724</td>
<td>251</td>
<td>.090</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>36.634</td>
<td>260</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 7 shows that, five Competencies out of nine have a significant impact on the model's Performance outcome. The coefficients of each variable show the amount of change in Performance outcome that may be expected from a one-unit change in the value of that variable, assuming that all other variables in the model are maintained constant.
The regression coefficient ($\beta$) of the primary variable employees core Competencies was .264 ($p < 0.05$) for Quality of work, .258 ($p < 0.05$) for productivity, .325 ($p < 0.05$) for Attitude, Flexible, Respectful, Cooperative and .187 ($p < 0.05$) for Honesty and Integrity.

The results indicate that the Five subordinate factors of employees core Competencies had a significant effect on performance outcome, indicating that Quality of work, productivity, Attitude, Flexible, Respectful, Cooperative, and Honesty and Integrity were definitely critical factors for improving the performance outcome of hotel employees. The other dimensions did not meet the requirement ($p > .05$). Attitude, Flexible, Respectful, Cooperative had the highest beta value (.325), followed by Quality of work (.264), Productivity (.258), and Honesty and Integrity (.187). This result indicates that Attitude and Quality of work made the strongest contribution to employee performance outcome, followed by Productivity and Honesty and Integrity.

These $\beta$ values demonstrate that the impact of each predictor on performance outcome when the effects of the other variables were held constant. Thus, for every unit increase in Quality of work, productivity, Attitude, Flexible, Respectful, Cooperative, and Honesty and Integrity,
performance outcome will improve by 0.325, 0.264, 0.258, and 0.187 units, respectively. The final prediction model, based on the prior results, was:

Performance outcome = 0.601 + (0.325* Attitude) + (0.264* Quality of work) + (0.258* Productivity) + (0.187* Honesty and Integrity).

This table also includes the Beta values. Beta values are standardized coefficients that compare the size of the influence of several independent variables with different units of measurement. The collinearity statistics are also given in the table.

The final analysis needed is to examine the residuals' homoscedasticity and normality. The scatterplot in figure 6 shows that the variance is constant. The P–P–Plot of z*pred and z*presid indicates that there is no tendency in the error terms in the linear regression at this study.

![Normal P–P Plot of Regression Standardized Residual](image)

Figure 6

Table 8 shows the findings of a simple regression analysis on the employees' core competencies and its influence on overall performance outcome. The regression analysis estimates that the standardized beta value 0.438 suggest that an overall increase of one standard deviation independent factors of 0.438 standard deviation increase in performance outcome, demonstrating a positive influence of employees' core competencies.

As a result of the findings, accept H1: There are significant differences among nine independent core competencies that influence the employees' performance outcome.

**CONCLUSION AND DISCUSSION**

This study's findings confirm the existence of a relationship between employees’ core competencies and performance outcome. In other words, improving employee core competencies leads to an increase in employee performance outcome, which has the ability to make both the employee and the employer equally satisfied and loyal to the organization.
Employee core competencies are mostly based on job quality, productivity, consistency, ability to work under pressure, group work, attendance, attitude, flexibility, respect, cooperation, honesty and integrity, and ambitions. On the other hand, Employee performance outcome factors include Accomplishments, Performance Impact, and Development.

According to the findings of a survey of 260 managers and executives, there is a positive and significant association between line staff core competencies and their performance outcome. This is because the hotels chosen for data collection were part of an international corporation that uses standard performance criteria and rules to determine the important parts and standards in each employee's performance evaluation plan. The results indicate that there is a significant and positive relationship between core competencies and Performance Outcome variables, and that improving these areas is critical because they are determinants of the level of manager expectations about line staff core competencies to their expectations of line staff performance outcome.

The regression study results indicate that each change in overall core competencies results in a 0.438-unit improvement in performance outcome.

The findings of this study are consistent with (Ochoti et al., 2012, and Poornima et al., 2015) who used multiple regression analysis to assess the employees performance outcome.

According to the findings, there is a variation in the manager's perceptions of the employee's performance outcome. Thus, Effective and timely feedback on employee performance on aspects and criteria throughout the performance assessment period is a critical component of a successful performance management programme. Employees must be informed about their performance in a timely way. They must be told what they are doing well and where they need to improve.

References


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