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# **The NSBM Journal of Management**

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# **Objectives**

The principal objective of the journal is to provide a medium for disseminating findings of study and research addressing issues, practices and developments in Management. Scholars and practitioners are invited to publish their work in the field of Management taking either a positivistic or a non-positivistic approach. Thereby, the journal promotes free and unbiased opinion, networking and sharing of experiences on matters of importance to organizations and society.

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# Editorial

Researching is now flourishing in Sri Lankan Universities. Bourgeoning number of annual conferences and faculty journals provide evidence in that direction. The provision of research funding must have influenced this development. Being another newly arrived platform for researchers, the NSBM Journal of Management has successfully continued in its third volume. In our previous volume, issue 2 was dedicated to discuss the methodological choices in research. However, issue 1 of volume 3 was opened for academic debates. Accordingly, we have selected five papers, representing three disciplinary areas. Three papers are from Marketing Management, One from Organisation Studies and the other from Operations and Accounting. The papers are presented in the alphabetical order of the author names.

The first paper presented is by Dr. Kumudinie Dissanayake and Ms. C.M.Y.S.S. Bandara on organisation of work and indigenous HRM practice. This is a qualitative study based on archival data. The next is by Ms. G.P. Damsi Dharmaratne and Dr. Nigel Jackson. This is again a qualitative study focusing on customer behavior involved in the context of Sri Lankan wedding ceremonies. The third paper is by Ms. Neranjana Ekanayake and Dr. Chandrasiri Abeysinghe. This is another paper adopting qualitative inquiry benefitting from Organizational Role Theory. It addresses how networking among operational employees create implications on quality management practices of a Sri Lankan automobile service organization, which operates mostly within a Total Quality Management culture. The fourth is by Ms. D M S Gayanika. This paper is again on Marketing Management with special reference to Eco-Tourism. It draws attention on implications of community empowerment over the development of eco-tourism with special reference to tourist resort development. This paper uses quantitative methodology. The final paper by Mr. J.A.S.C Jayasinghe and Ms. A.D.S. Lakmali adopts quantitative methodology focusing on Customer Relations Management in the Sri Lankan hotel industry. The content of this issue of the journal demonstrates some current trends of academic interests. Two papers out of three on Marketing Management study tourism and hospitality industry, which is attracting an increasing interest among researchers. Methodologically, out of five papers, three adopt qualitative inquiries demonstrating a shift of methodological choices from dominant positivism to interpretivist paradigm. Our earnest hope is that researchers would benefit from Sri Lankan managerial practices, emerging market trends and methodological experiences that will be revealed by papers in this issue. Further, we hope this issue of NSBM Journal of Management as usual would make a reasonable contribution to the current body of knowledge in contemporary management studies.

Dr. A.A.C Abeysinghe Editor

# ORGANIZATION OF WORK AND INDIGENOUS HRM PRACTICES: AN EXPLORATION THROUGH ANCIENT PUBLIC ADMINISTRATION SYSTEMS IN SRI LANKA

# C.M.Y.S.S. Bandara and Kumudinie Dissanayake

# Abstract

With a heritage of a great civilization and evidence of rich principles and practices of management, Sri Lanka seems to own better indigenous practices for managing her local organizations. In addition to the lack of deep investigations into human resource (HR) practices prevailed in the ancient Sri Lankan public administrative system, we identify a void in the existing knowledge of the grounds on which indigenous human resource management (HRM) practices have been derived. Thus, the aim of this study is to identify the HR practices that have been institutionalized through diverse elements in the public work organization in ancient Sri Lanka. We adapt a qualitative inquiry with the use of a document analysis and a comprehensive review as the methods of study. As drawn from the themes emerged, and validated by the existing literature, the results suggest that work, authority, and resource allocation are the basic elements for exploring into institutionalization of HR in ancient Sri Lanka. The indigenous human resource management (HRM) practices have been derived from such institutions and based on job design, supervisory practices and reward allocation practices. Our findings offer grounds for exploring further into indigenous HRM practices and strengthening the contemporary HRM philosophies and policies in Sri Lanka.

Keywords: human resource management (HRM), indigenous human resource (HR) practices, institutionalization, public administration, Sri Lanka

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# Introduction

The effectiveness of management practices has to be understood within the existing cultural, socio-political and economic framework of the context (Sethi, Namiki & Swanson, 1984). Thus, the best practices in management are unique, contextual and country-specific. Certain ways of organizing are culturally appropriate and effective than others, and there can be multiple ways rather than one way of organizing (Trompenaars & Turner, 1997). In this backdrop, the contemporary world of work questions the successful applicability of Western or Eastern management practices in other contexts. This query implores the contemplation of indigenous management practices at homelands. With a heritage of a great civilization and evidence of rich principles and practices of management, Sri Lanka seems to own better indigenous practices for managing

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her local organizations, as narrated in chronicles such as Mahavansa and Chulavansa, where human resource has been identified as one of the important aspect of the country's indigenous knowledge (Dharmasena, 2010). Among other Asian nations, Sri Lanka stands as a nation with low cost labor (on economic grounds), a humane society (on socio-cultural grounds), and a flexible work community (on political grounds), thus human resource (HR) being the focal element around which most of the indigenous management practices have been structured. However, in a context where much of the country's indigenous knowledge systems remain to be learned (Senanayake, 2006), such indigenous HR practices which derive from ancient Sri Lankan work culture are also yet to be investigated in full length. One important disabler of these investigations is the absence of a framework for studying the HR practices that have been institutionalized through diverse elements in the work organization in the ancient Sri Lanka.On this background, the aim of this paper is to develop a conceptual framework for studying institutionalization of human resources in the ancient Sri Lanka. This study attempts to identify the main institutions which formed the ancient Sri Lankan public administrative organizations which overlapped the entire social organization. In this paper, we argue that the institutionalization of human resource in the ancient Sri Lankan public administrative organization can be explained through three main institutional measures; arrangement of work, execution of authority and allocation of resources where it can be used as a ground to identify the HRM philosophy, policies and the practices relating to job design, supervisory practices and reward management.

We use documentary analysis and review as the method of study. Drawing from the existing evidence and literature on ancient local government arrangements for work, the present study identifies that arrangement of work, authority and resource deployment have been the foundation of 'organizing' functions in the ancient Sri Lankan public administration. It further reveals that the job design, supervisory practices and reward allocation have been resultant in HR practices in this system.

The paper is structured as follows. The section that follows presents a review of literature on national culture and institutionalization of HRM as the point of departure of the study. Briefly describing the method adapted in the study, we detail our findings in two sections; ancient local government arrangements for work, and the institutionalization of HR in ancient Sri Lanka. Presenting the proposed framework, we elaborate existing literature for validating the framework with the use of global historical evidence on organization for work and HRM practices for enacting work organization. The paper concludes with implications and directions for future research.

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#### Review of literature: National culture and institutionalization of HRM

As Aycan et al. (2000) view, managing human resources in organizations requires understanding of the influence of both the internal and external environments of organizations. It is recognized that the internal environment is represented by its internal work culture, whereas the external environment is represented by the enterprise or institution culture (i.e., market characteristics, nature of industry, ownership status and resource availability) as well as the socio-cultural environment (e.g., paternalism, power distance, etc.). And, it is argued that both these environmental forces are, in turn, influenced by the physical and the socio-political context (e.g., ecological, legal, social, political and historical forces) (Aycan et al., 2000).

The level of industrial development of a country, its cultural values, and the level and nature of cultural interactions may all play a part in people management systems and their appropriateness to the economic and cultural context within which they operate (Jackson, 2002). Jackson further explains that the potential conflicts between work and home/community life maybe a function of cultural values as much as the level of industrial development of a country. This may also be a function of the way individual multinational organizations and their managers and HR departments operate in transitional and emerging countries. Since HRM practices are implemented for the people and with the people, their socio-cultural environment should be

taken into consideration in designing unique HRM practices for a group of employees. Jackson (2002) proposes that across cultures people are valued differently as human beings within work organizations. Culture is a significant determinant in shaping a person's attitudes and behavior. Therefore, in designing and implementing HRM policies and practices, attention should be paid on correctly identifying such aspects of a society to which the employees of the organization belong. Marriappanadar (2005) views the learned behaviour of work as a product of cultural factors. Culture also affects performance and learning motivational orientations (Gelfand et al., 2007). Kurman (2001) found that in collectivistic and high-power-distance cultures, choosing achievable moderate goals was highly motivating than choosing difficult goals. Feedback giving and feedback seeking are theorized to vary across cultures (De Luque & Sommer, 2000).

Cultural values shape the preferences for organizational rewards and their implementation across cultures (Erez and Early, 1993). At a macro level, cultures differ in their dominant reward systems (Gelfand et al., 2007). Values on their own are not enough; they need to be rooted in the social and economic structure of a given society (Rowley and Benson, 2000). Whitehill

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(1991) argues that culture includes not only the values held by individuals and relations between people at work and their families, but also the structure of the firm and society. Studying the structures and functions that exist in a particular culture is accepted as an appropriate method for identifying the social organization incorporated with that culture (Parsons, 1951). Within a social system, Parsons (1951) considered the needs of the system as important, and individuals fulfilled certain system functions by taking on various roles as a means of carrying out their statuses. From a sociological point of view, Pieris (1956) posits that the concrete reality of social life consists of a multitude of actions by, and relations between persons and groups of persons. Further, he notes that repeated and persisting behaviors and relations which become relatively fixed, petrified and established modes of conduct are known as institutions, where a study of these multifarious social relations reveals a pattern of interrelated actions which may be described as 'social organization' or social structure.

# Method

This is an exploratory study with a qualitative inquiry where secondary sources are extensively used for data collection, centered on a selected site for investigation. Validity and reliability of these data have been confirmed through community members at the site. Due to lack of a theory a priori, we follow grounded theory approach in the study.

The research site that we selected was Nuwarakalaviya, located in the ancient Kingdom of Anuradhapura, Sri Lanka. Indigenous practices used to administer the people in Nuwarakalaviya had not been explored from a Human Resource Management point of view so far. Yet, a vast array of information on functions and structures of the ancient society is evident in the available literature in historical research-based publications including books and journal articles. Thus, secondary sources including books and journal articles which are extensively quoted and well recognized in the field of history play a key role in the present study as a main source of data. As an analysis of social organization is possible with information on its structures and functions (Parsons, 1951), here we explored the social organization and identified its practices of managing people in light of such information. With a view to verify the data obtained from the secondary sources for their validity in the present research context and to ensure that any important piece of data is not missed, data were cross-checked and confirmed by 12 persons who were well aware about the area and its historical aspects. Thus, data verification and confirmation was obtained from a sample of respondents representing different professions such as farmers, teachers, public servants, doctors, banking officers, Buddhist monks and Hindu priests. No guided questionnaire was used in obtaining their responses; however, we probed into "how

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the ancient public administrative system was organized" as an open inquiry.

Since all the data gathered were qualitative, they were analyzed using analytical tools including coding, memoing and categorizing. Document analysis was used for analyzing secondary data in the study. Initially, data on structures and functions of ancient social organizations were coded and categorized to identify practices of managing people. Three basic types of practices had emerged through the large number of primary codes as work related practices, authority related practices and resource handling practices. Each category was further analyzed for HRM practices where 21 basic practices were identified, which could then be categorized into three categories as job design, supervisory practices and reward allocation.

# Findings Socio-political background of the site

The ancient stretch of time denotes the medieval era of the Sri Lankan history which is demarcated by the two landmark events; the invasion of Magha of Kalinga in 1235 (13th century) and the British conquest in 1815 (19th century) (Mendis, 1957). During this period of time the country was not politically stable and the only region which was independent under the local rulers was the Kandyan Kingdom. Therefore, with a special emphasis on the period of the Kandyan Kingdom, the medieval period is considered for identifying the ancient local government. Kandyan Kingdom, the chief governing structure that existed during the 17th and 18th centuries, is considered as the successor to old civilizations and kingdoms in Anuradhapura and Polonnaruwa (Dewaraja 1985; 1995) and is considered as an integral part of the traditional Sinhalese monarchical system in Sri Lanka (Dewaraja, 1995). According to Dewaraja (1995), the whole political system was based upon, and the social system too revolved around, the monarchy in the Kandyan Kingdom.

#### Ancient local government arrangements for work in Sri Lanka

The present study finds that the local government arrangements for work in ancient Sri Lanka have mainly been based on the institutions revolved around work role, authority and resource allocation. Table 2 below presents the codes and themes derived in this part of analysis

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Table 2. Basic elements of work organization, indicators, and local government arrangements in ancient Sri Lanka				
Functional and Territorial departments, Rajakariya system: Compulsory pub- lic service, Caste based occupational niches and Caste bound duties	Departmentalized organizational structure Division of labor Work specialization	Work		
Formal administrative structure; King, officers and procedures, despotic pow- er at the top; but a strong mechanism for mediating and controlling, Com- munity based governance and mecha- nisms; Moral rules, conventions and traditions, delegation of power and au- thority, Natural leaders, Participatory decision making	Formulation and enforcement of law Decision making Chain of command Leadership	Authority		
Royal grants attached to performance of services Conventional methods	Physical resources Natural resources	Resource allocation		
Source: Survey data				

# Work role

Arrangement of work in the ancient local governments can be considered as an institutionalized administrative system which was supported by several other sub institutions like caste system and Rajakari system. Every member of the social organization had a unique role to play in this system and each role formed an important part within the whole. Coomaraswamy (1908) comments that "the different parts of the social organism were fitted and dovetailed together; there was a place for every man, and no man could be spared."

# Administrative System:

Dewaraja (1995) points out two other principle features of the Kandyan administrative system as bureaucratic nobility, whose appointments were derived from the King, and the rigid grading system of the administrative class controlled by the unwritten yet inexorable laws of caste. The administrative structure of the ancient Sri Lanka was identified as a territorial one with a functional division at the bottom of the administrative ladder (Dewaraja, 1995). In the territorial division, there were twelve 'Disawani's and nine 'Rata's each headed by a 'Disawe' and 'Rate Mahatmaya' respectively (D'Oyly, 1929). Under these officials there were several other officials who controlled smaller sub-divisions.

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# Rajakariya:

According to Silva (2005), the Kandyan administrative system was closely bound up with land tenure, caste and rajakariya. Rajakariya system can be identified as the mechanism through which the citizens' contribution was taken for public service. As observed by Silva (1994), "rajakariya"; the mechanism which combined the land tenure and caste services were of three kinds. First; the compulsory labour for forty days or less for the public utility and military service during a war. Second; the caste services to the state, temples or individuals. Third; the annual land tax, 'decum' or 'kadarajakariya' paid to the treasury as a part of the assured agreement with the ruler.

According to Mendis (1995), Rajakariya system in Ceylon involved the performance of two classes of duties: unpaid services rendered by people for the repair and maintenance of the paths and bridges in their districts; and services performed in respect of lands held and varying according to the caste of persons who performed them. The first form of this service consists of the compulsory requirement of engaging in public services of the government by the citizens during a prescribed period of time. In its maturity in seventeenth and eighteenth centuries, the key feature of the Rajakariya system was the performance of gratuitous services on public works such as construction of roads, bridges and tanks (Silva, 1981).

# Caste system:

Apart from the compulsory services towards the public service, performances of the functional structure were ensured mainly through the Caste system. Caste system played a vital role in the administration of Kandyan Kingdom through its functional division. Co-existence of the 'badda' or caste system virtually cut across the territorial system dividing the population into functional groups. The mass of the people in up-country remained a static, stratified society dominated by the divisive forces of feudal origin (Pakeman, 1970). According to Rogers (2004), caste groups found in Kandyan Kingdom at the end of the 18th century represented the most visible and pervasive form of social differentiation on the island.

The society was structured in a systematic way using the caste system. People were divided into diverse groups and these groups were assigned with different types of professions. To assure the proper functioning of the entire society, the contribution of all the groups were needed. People respect and value their traditional professions and accept the caste bound duties they had to

# perform within the setting of the society.

As viewed by Dewaraja (1995) the caste system in the Kandyan Kingdom was not only a self-contained autonomous social order of the people, but also an official order of the society, protected, controlled and stabilized by the government. Caste system has been identified as the foundation of whole social and economic organizational mechanism in the Kandyan Kingdom (Dewaraja, 1995). Almost all the citizens became direct members of the administrative organization through this functional structure.

The Kandyan caste structure was essentially a system of labour specialization providing the various services needed for the state and society where each caste was economically privileged in the sense that it alone had the right to supply a particular kind of labour (Dewaraja, 1995). Caste consisted of a complete system of life and work, in which every man knew his place, had regular work and rarely exchanged it for another (Mendis, 1995). The caste system produces occupational niches specialized in different occupations which produced different services required for the functioning of the social organization.

One of the most important features regarding the social system of that era is the prominence given to the public sector. Many of the performances of the society were in communal nature where each person or categories of people were obliged to perform the services assigned to them by the traditional system. Peris (1956) interprets the caste system as a mechanism by which the labour resources of the Kingdom could be mobilized for public services.

The relationship existed among the heads and the subordinate people were not entirely based on material returns. It was a sort of leader-member relationship with closer emotional and psychological ties. Headmen were considered as patriarchal heads of the society and its members (Karunananda, 2006). Discussing the conflicting context existed in Kandyan government, Dewaraja (1985) comments that emotional and psychological ties cut across political barriers stabilizing the position of the King.

People have their own sources of income, accumulations of personal wealth and assets, and only minor importance was given to the personal enterprises. All the caste based communities or the occupational niches were considered as sub systems of the main system where the tight relationships link them with the social order inseparably. An unwritten code of behaviour governed all social relationships between castes (Dewaraja, 1995). To ensure the proper performance of the entire social organization, the performance of different occupational niches was of utmost importance. Dewaraja (1995) views this institutional arrangement as a dynamic force

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driving the cog wheels of the administrative machinery.

In light of these facets it can be asserted that during this pre-colonial era, the public sector occupied the place of most prominent organization of the country, including all the strata of the society and through that, all the people of the society. Social structure was the organizational structure through which different functional requirements were fulfilled. Therefore, the entire society or the social organization can be considered as the administrative organization of the public sector during this era.

# Authority

In the ancient Sri Lanka, the systems used for the management of human resources were twofold. Especially in areas remote to the central kingdom, both formal and informal administration mechanisms were operated within the province with nearly equal powers. The formal control of the central government headed by the King was accepted by the people. On the other hand, the regulating arrangements of informal native authorities were recognized by the official governing organization, permitting a higher autonomy of administration and decision making for the local level. Gam Sabha and Variga Sabha are two very important examples of such territorial entities.

Gam Sabha or village council is an assembly of villagers headed by the natural leaders. It can be identified as an institution which operated voluntarily for managing the people and their affairs at village level in both administrative and judicial spheres. Gam Sabha had both civil and criminal jurisdiction in questions of boundaries, petty debts and petty offences (Hayley, 1932). Hayley (1932) identifies Gam Sabha as one of the earliest entities of this nature. Gam Sabha in ancient Sri Lanka has been identified as Village Republics which maintained the control mechanism. This entity was identified as the basic decision making entity of a village. All the inhabitants of the village participated in these 'village councils' to discuss matters of social and economic importance, including agriculture and irrigation. The decision-making mode of Gam Sabha was based on arbitration (Marshall, 1839).

'Variga Sabha' can be considered as a caste court, which was used to settle caste related issues within the boundaries of clans. The mechanism followed here was settling the matter by a tribunal consisting of respectable persons of that particular caste. As Ryan (1953) notes, as a formalized caste body which performed judicial functions relevant to caste customs, this institution was a preserver of caste integrity, and also served to purify the atmosphere.

This body had no official authority or legal base since it was not directly established by the formal authority of the government. But it was recognized by the formal authority as a customary decision making entity. As Ryan (1953) notes, a fiction of its legitimacy is maintained

through its connection with an official whose office is both traditional and, until recent years, legitimately governmental.

The existence and performance of Variga Sabha were incontestable in the ancient society. The traditional conventions and value systems had created a strong foundation for the recognition of 'Variga Sabha' as an acceptable decision-making institution among the inhabitants. Therefore, the decisions made at this caste court and the verdicts issued were accepted by the members of the respective castes or villages.

Proper performance of the social organization was ensured by the authority execution mechanism through maintaining social order. Behaviour and conduct of the organizational human resource was shaped by the formal rules as well as the informal regulations formulated by traditions and conventions. These institutions had the power of imposing punishments to the subjects under its jurisdiction where the execution was strictly carried out. People were committed to following the regulating guidance of these informal but recognized decision making authorities. Further, they voluntarily accept the functioning of them.

# **Resource allocation**

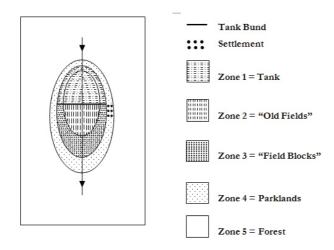
Two major natural resources, land and water, were considered as the most important resources in the ancient social organization. Being an agrarian society, land and water were essential in maintaining the livelihoods of the people. Allocation of resources was totally based on the regulations imposed by the traditional conventions and norms. Land usage in ancient Sri Lanka could be identified with regard to two major purposes, i.e., living and farming. On the other hand, the resource allocation was largely important in arranging business and service relationships between different community groups and preserving the power structure.

Two major bases could be identified on which the ownership of lands was distinguished. The formal method of acquiring the ownership was getting the permission of King. According to the laws prevailed in the Kandyan Kingdom, all the lands belonged to the King. The King had authorized certain persons to use the lands by granting permission through Sannas (a royal charter). Wealthy and powerful persons of superior castes offer various gifts to the King, expecting such land donations. These lands were called Nindagam (fiefdoms). The area of Nindagam was divided into small villages and occupied by the people belonging to different castes, forming a small republic kind of self-sufficient communities. The other way of establishing the ownership of land; possessing without any formal grant was considered as informal, but the validity of such ownership was unquestionably accepted unless there was no controversy.

According to Dissanayake (1992), the structure of the Tank village and its functioning illustrate not only the economical use of land and water but also the ethical values of the ancient Sinhalese community. Tennakoon (1974) identifies five broad zones in a typical traditional tank village system (Figure 1). Zone I is the tank which could be considered as the "nerve centre" of the village economy. Zone 2 is the 'Purana wela' (old field) which is located much closer to both settlement and the tank. In traditional systems, the land in this zone, which can be irrigated

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even if the water level is fairly low, has been divided between all the villagers. On the contrary, the land in Zone 3, which are owned by few individuals, is usually irrigated by a higher-level sluice. Irrigation is nearly impossible in Zone 4 mainly because of the distance and in general, is covered with short grasses, isolated trees and bushes. Zone 5 covers the largest extent of "village land". This zone is usually called the village forest (Tennakoon, 1974).



# Figure 1: Schematic Diagram of a Typical Dry Zone Village

Source: Shakthivadivel et al., Natural Resources Management Study of North Central Province, Sri Lanka, Main Report, May 1996, International Irrigation Management Institute, Pelawatta, Battaramulla, Sri Lanka

The "Pangu" method is the traditional system of distributing paddy farming lands among the village members. According to Karunananda (2005), the mode of dividing the 'pangus' among the 'pangukarayo' appears to have been an impartial one. The term "Pangu" denotes a plot of land but it is hard to find a clear definition with regard to the extent of such land. The general view was that a "pangu" was defined as the smallest piece of land within the village paddy farming land which was used as a measurement to determine the size of other lands.

Further, this method was used to share the work of cleaning and maintenance of the irrigation infrastructure, which was totally based on the extent of land allocated to villagers. All the share-holders were responsible for performing the communal work and the work load is divided among them proportionately to the shares or "pangu"s. If a person had performed responsibilities of such communal work entrusted proportionately to his share of land without any lapse, although he did not cultivate the land, his ownership rights were not questioned. In that, a person could have owned some plots of lands in other outside villages also.

In dividing the entire paddy land into a number of plots, which were shared among the village members, a certain set of conventions was followed. The ability of irrigating the land and the seniority of the villagers in terms of occupancy in the village were the basic determinants of assigning the plots of lands. In certain cases, the earliest settlers were the superior caste families who derived the ownership of the area through the donations of the King. When the village was occupied by a group of people to whom the right of possession was given by such owners, there the first occupants were considered as the most senior citizens in the village. The division of lands was done through a technical approach.

For Chena cultivation, lands were prepared by clearing the jungle. According to Karunananda (2005), all grounds from which water was drained out to the tank or fields were considered to be the chena lands of that village.

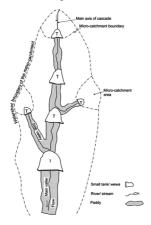
There were two major specific methods to divide the area among villagers for chena cultivation. The first is called 'Mulketa Hena' and frequently used with large lands. According to Pieris (1956), to cultivate a 'hena', the village share-holders would select a suitable piece of land, and taking a large tree as the centre point (Mulkete), tie a creeper of one or two cubits' length to this tree and trace a small circle around it marking the entire area of the 'hena'. The land is divided around the 'mulkete' where after clearing, burning and marking the boundary lines, the whole 'hena' resembles a wheel with the spokes dividing the 'pangu'. The second method of allocating lands for chena cultivation is called 'iravilla'. This is used if the 'hena' was small and the lands were arranged in squares (Pieris, 1956)

Three types of chena lands could be identified on the basis of the usage. The Chena lands prepared for cultivation by clearing virgin lands were called "Navadeli Hena". When the same land is used for the next time in later season, the land is called "Kanathu hena". If the farmer failed to start cultivation at the proper time after clearing the land and when he used the land at a later season, it is called "Varadamana Hena".

The hydraulic civilization had its origins in the dry zone plains of the island – the area referred to as Rajarata, (The Kings' Country) with Anuradhapura and Polonnaruwa as its capitals, till about the end of the twelfth century (Dissanayake, 1992). Cascade Based System; "Ellanga" in Sinhala, is an interesting irrigation technique used to irrigate a large area linking several small tanks through channels. This system interlinks the village entities hydrologically as well as socio-economically. The cascade concept is an age old concept which had been the linking

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thread of irrigation development and management throughout the irrigation history of this country (Tennakoon, 1994). Maddumabandara (1985) identifies a connected series of tanks that are organized within the micro catchments of the dry zone landscape, for storing, conveying and utilizing water from an ephemeral rivulet as a cascade. A cascade of tanks is made up of 4 to 10 individual small tanks, with each tank having its own micro-catchment, but where all of the tanks are situated within a single meso-catchment basin (Panabokke, 2007). Figure 2 shows a schematic representation of a small tank cascade.



It was noticed that the existence of separate personal business enterprises was rare. All the business and social work were strongly associated with the social structure. The entire society could be considered as one business unit or enterprise, where several sub units and systems performed together to assure the survival of the organization fulfilling the needs of its members. With these circumstances, a number of outcomes could be identified with the management point of view. A well-established organizational culture and structure could be seen in the system on the basis of strong shared values accepted by all the members. Performance of work in the system was accomplished by the occupational niches. People had little chance to work out their preference but on the other hand these traditional occupations brought them an incomparable specialization. They worked in groups and it resulted in group thinking among them. The responsibilities were entrusted on groups and they were collectively accountable in perfectly accomplishing the assigned duties and performing their roles. Since the society was not much competitive, a higher degree of cooperation could be observed among the members who belong to different occupational niches and different strata of the social hierarchy. The decision making was systematically decentralized keeping the limits as required. Thus, in line with the revelations in the study, we identify work arrangement, authority mechanism and resource deployment as the main and three-fold institutions which formed and maintained social relations between individuals and groups with established modes of conduct. The relations, functions and roles of all the individuals in this social organization can be explained vis-à-vis these three institutions which represent the major structures of the social organization.

# Institutionalization of HR in ancient Sri Lanka

Below we identify three major HRM practices that derived from the afore-described social institutions in the ancient Sri Lanka. They are job design, supervisory practices and reward allocation.

Derivatives of organization for work	Code	Theme
Arrangement of work	Division of labour and specialization; Balanced autonomy; Task identity; Task significance; Low task and skill variety; Less job complexity; Task inter-dependence	Job design
Execution of authority	Delegation of authority; Strong shared values; Voluntary acceptance; Recognition of informal groups and natural leaders; Participatory decision making; Mutual trust; Caring leadership	Supervisory practices
Allocation of Resources	Long term orientation; Sustainability; Mutual trust and benefits; Feeling of ownership and entrepreneur- ship; Collective ownership, responsibility and account- ability; Team based nature; Reuse of resources and reliability of organizational inputs supply	Reward allocation

# Table 3 : HRM practices derived from the social institutions in ancient Sri Lanka

# Source: Survey data

# Job design

The entire system of human resource management in ancient Sri Lanka was based on the Rajakari system, including caste structure and compulsory public service. The job of a person in the ancient Sri Lankan social organization consisted of three major components, i.e., caste bound occupational work, compulsory public service for communal work and agricultural work; the caste free occupation. Job design was largely determined by traditional caste system where peo-

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ple were allocated for definite professions from their birth. According to the caste to which they belong, they had to perform a specific set of tasks, duties and responsibilities in the social organization. This practice created the ground for a specialization with some special features. The circulation of tacit knowledge which flew from generation to generation was restricted within the boundaries of caste. Therefore, the specialization built on that became a unique attribute of a particular caste and further, added a value to that. On the other hand, a person needed only a low variety of skills to perform his role in the social organization, making jobs less complex.

Attached with the ancient practices of designing jobs, it was noticed that a considerable degree of autonomy was allowed for the professionals who belonged to different castes to decide the performance of their job. But at the same time, an arm of controlling was put into force by the superiors of the social and economic organizations.

Since specific groups were designated for different duties, high task identity and high task significance could be noticed. Further, it sets up the ground to develop interdependent relationships between separate strata of the social hierarchy. The people who represented the higher strata of the caste hierarchy were the superiors in the social organization. In a majority of instances they were the dominant chieftains of the voluntary social organizations and officers linked to the formal government.

The society was structured by the caste system where each caste had a specific duty to perform. Irrespective of the position held in the caste hierarchy, every caste was given the opportunity to develop and operate their own controlling system, making independent decisions to solve the problems within the boundary of the caste. Although both formal and informal power mechanisms were dominated by the high caste superiors, power could be seen delegated among all the communities in the society.

In addition, people had to contribute with communal work when summoned. The noticeable factor is both caste bound duties and the compulsory public services make only a part of their full-time employment. Agriculture was a caste-free occupation with people engaged in paddy and Chena cultivation making up the larger share of their work.

Performance of duties assigned by the traditional system was entirely based on strong shared values of the society and the voluntary acceptance on them of the members. Both the superiors and the subordinates strongly believed that performing the duties assigned by the traditional system was a must. They were obligatory to carry out such professional duties properly respecting and continuing with the existed norms and conventions of the social organization.

# **Supervisory practices**

The supervisory system could be identified as a two-fold mechanism where the application of authority was vested upon both formal and informal governance structures. The formal government existed in the country had operated its controlling arm through designated officers who exercised the granted legal power. But due to many reasons this power mechanism was nominal to a greater extent in some remote areas. The voluntary institutions headed and governed by natural leaders represented the informal stream of supervisory mechanism. These informal groups and assemblies were highly recognized by the members. Further, the formal government also had accepted the existence and functioning of these institutions and the natural leaders. Participatory decision making and arbitration was identified as a noticeable devise used in these informal institutions. The decisions related to the supervision of organizational activities have resulted as outputs of a collective effort of the superiors. Natural leaders from the same community or such leaders who represented different community groups have participated in these decision-making panels performing the role of supervisory officers. The relationship between supervisors and subordinates could be identified as a mutually trusted one, where each party was in a strong belief that the other will perform the entrusted duties in accordance with the standards. The strong shared values and the voluntary acceptance of members together created the base for proper people management in the conventional society.

# **Reward allocation**

The reward allocation of the ancient human resource management system of Sri Lanka was mainly based on the distribution of resources. Only a very small segment of the rewarding scheme was operated through money and other materials.

Rewarding through resources was identified as a process oriented towards the long run performances of the organization. Resources like lands were awarded with a long-term right of possession where the true ownership was a nominal one. Once the right was granted, the resources became common properties of the awardee community. Traditional professional services were provided by the tenant occupants in compensation for the right of possession where the reward allocation ensured the proper functioning of the society.

Sustainability of organizational resources was identified as a major concern of the ancient rewarding system. Although some of the resources were allocated on individual basis, depending on the concept of common ownership, all the members were equally accountable in protecting the common resource pool. In addition to these, methods of keeping reserves for further expan-

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sions, releasing water from the main water reservoir to paddy fields and changing crops for biological preservation can be identified as general practices of ensuring sustainability.

The entire reward allocation process was based on the trust developed by superiors or the reward makers and the subordinates or reward receivers. The legal ownership of the rewarded resources was vested with these superiors but they have given the right of possession to the subordinates. This trusted relationship could be identified as a mutually beneficial one for both parties. Superiors could get the professional work done by the people who belonged to different castes and the subordinates could ensure the reception of resources to develop their livelihoods.

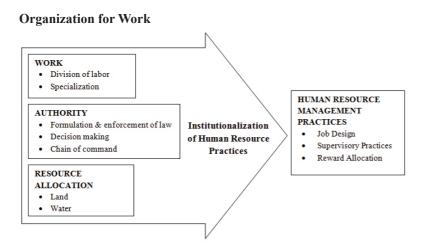
The mechanism that existed in ancient society of Sri Lanka to reward the human resource made the society self-sufficient. All the materials and services required for the proper functioning of the society were produced within the social organization by its own members. To ensure such performance they were rewarded with the relevant resources.

As such it is clear that a discussion on work, authority and resource allocation illustrates the organizing of social organization, with a broad base to understand how the human resource was institutionalized to ensure their contribution towards effective and efficient functioning of the social organization

# The proposed framework

The present study understands that the organization for work in the ancient Sri Lanka has been built on the major institutional arrangements on work, authority and resource allocation. Further, the HRM practices such as job design, supervisory practices and reward allocation have been institutionalized through the existing arrangement for work, authority and human resource allocation arrangements at the time. The notion of 'work' represents the division of labor and specialization in the social organization. The enforcement of law, decision making and chain of command make up the 'authority'. Distribution of land and water were the dimensions of resource allocation in the system. What is revealed in the above review is depicted in the Figure 3 below.

#### ORGANIZATION OF WORK AND INDIGENOUS HRM PRACTICES: AN EXPLORATION THROUGH ANCIENT PUBLIC ADMINISTRATION SYSTEMS IN SRI LANKA C.M.Y.S.S. Bandara and Kumudinie Dissanayake



# Figure 3:Conceptual Framework for studying the institutionalization of HR practices in ancient Sri Lanka

Source: Researchers' construction

# Validation of findings

For validating the above findings, we elaborate below the evidences drawn from the existing literature.

# Organization for work: Evidence from the history

History reveals that numerous types of economic, social, and political institutions have been organized for work under certain fundamental activities. Such organizations include agricultural estates, armies, churches, governments, and guilds as well as those dedicated to specific projects such as the great building enterprises that produced the pyramids and irrigation systems of the Near and Far East (Wittfogel, 1957; Pheng, 2007). These pre-industrial forms of organization typically included a corps of supervisors, a shared body of administrative practices and in certain cases, a written discourse describing those practices and explaining their rationale (Ruef and Harness, 2009). An inspection of the complete translations of numerous original documents reveals the presence of four dimensions of work organization: (i) physical organization of labour, (ii) monitoring and control of workers' attendance, assigning tasks and determining work targets, (iii) reporting on tasks performed, and (iv)calculating and distributing wages (Ezzamel, 2004). WorkGriffin (2005) notes that the functions of managing work can be traced back to thousands of years where the Egyptians used the functions of planning, organizing and controlling when they constructed the pyramids, and the Mesopotamian civilization emerged during the period 3700-

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2900 BC amid the development of technological innovations that increased agricultural efficiency (e.g., plough), speeded up transportation (e.g., sailing boats), and enhanced tooling through improvements in metal working (e.g., copper) (Postgate, 1992; Maisels, 1993). Around 1000 B.C., the Greeks have established strong local governments or city states that they called polis and later introduced a form of constitutional democracy (Burton and Thakur, 1995). Romans introduced the senate to advise the consuls (Burton and Thakur, 1995). Socrates developed a design of management practices and Plato propounded a system of job specialization (Burton and Thakur, 1995).

#### Authority

Burton and Thakur (1995), state that around 5000 B.C. on the lower regions of Euphrates River, the Sumerians utilized written records to administer their governmental and commercial activities. Egyptians may have used a well regularized system to govern the people for which the massive constructions of Pyramids bear evidence. The Babylonians had a set of laws called Hammurabi which are considered as the oldest collection of regulations used to govern people (Burton and Thakur, 1995). The Old Babylonian Empire ruled during 2003-1595 BC where the turbulent period of wars came to a halt under the reign of Hammurabi, who deployed a centralized system of administration of public affairs. This consisted of the enactment of districts headed by governors who replaced the local kings, not least the separation between the temple and the royal palace (Harris, 1961).

# **Resource allocation**

The Sumerian civilization lasted from 2900-2335 BC and featured small, rich city-states that engaged in continuous wars to resolve issues of property rights on irrigation water (Carmona and Ezzamel, 2005). By the middle of the millennium, the size of city-states reduced significantly and the small-city state model became dominant, which in turn deepened the process of division of labor within cities as well as provided a basis for the emergence of social classes and the hierarchisation of society around military and religious classes (Snell, 1997). According to Carmona and Ezzamel (2005), the views of Marx and Wittfogel contend that the ancient Egyptian civilization relied in its achievements on corvéelabour and slavery, whereas the alternative view, which while not completely denying the presence of such forms of forced labour, would insist that private labour commanding wages, or rations, and private exchange existed side by side with the domain of the state, and those who worked for the state were not slaves but perhaps forced, but paid for, labour. Taken as a whole, the pre-industrial era evidences to the fact that allocation of work, execution of authority, and allocation of resources had been the fundamental activities accentuated in the organization of work.

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WORK	AUTHORITY	<b>RESOURCE ALLOCATION</b>
<ul> <li>Organization of labor</li> <li>Managing work</li> <li>Job specialization</li> </ul>	- Governance - Rules & regulations	- Water management - Land Tenure - Social classes

# Figure 4: Fundamental activities of organization of work in the history

These fundamental activities have been reiterated at the work organizations in the postindustrialera too.

# Organization of work in the post-industrial era

With the massive development and expansion of commercial activities in the industrial revolution era in the 19 th century, advancing better management practices were given a higher-consideration. Attention was paid on mass production and systems were arranged in a way to obtain the maximum use of all the resources including the human resource. 'Employee' was considered as an 'economic man; merely a factor in the production process whose contribution isgiven in the form of labor'.

In the scientific management school, the contribution of Charles Babbage, Fredrick W Taylor, Frank and Lillian Gilbreth and Henry Gantt are considered as important. According to Burton and Thakur (1995) the contributions of scientific management school developed the managerialskill of job design through the division and specialization of labor, and formulated the first approach of mass production. Charles Babbage focused attention on the impact of timeefficiency and work performance relationship of laborers in setting and achieving standards. Elucidating four principles with regard to management of jobs and laborers, Taylor (1967) proposes that the principal object of management should be to secure maximum prosperity of the employer, coupled with the maximum prosperity of employee. Frank and Lillian Gilbreth are regarded as the pioneers of time and motion study. Henry Gantt developed the Gantt Chart, Fayol (1949) introduced five major functions of administrative or managerial activity, i.e., planning, organizing, commanding, coordinating and controlling with fourteen general principles of management, which included division of labor, authority, unity of command, unity of direction, remuneration etc. Weber (1964) developed the bureaucratic model of organization as a rational way of structuring a complex organization. Weber's model explicated how division of labor, rules and regulations, authority, hierarchy etc. are giving birth to the best way of organizing work. As highlighted in these universal theories too, the underlying fundamental activities of organizing work have been revolved mainly around work, authority, and resources within the system.

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#### Organizing work within the organizational system

How organizations are being organized for work (or the structural dimensions of work organizations) has been well elaborated in organizing function, and further theorized under organizational structure and design. Organizing, noted as a major function in any economic, social or political organization, reveals the key tasks to be performed by organizations for arranging work in order for securing better performance. Thus, division of work, grouping of jobs (departmentalization), identifying positions, establishing authority, relationships, coordination and integration of work, and allocation of resources become the giant steps in organizing process, finally creating a formal structure for the organization (Daft, 2009). Organizational structure is the formal system of task and reporting relationships that controls, coordinates, and motivates employees so that they cooperate to achieve its goals. Accordingly, structural dimensions of organizations broadly cover work specialization, chain of command, authority and responsibility, span of control, centralization or decentralization (authority of decision making), and formalization (Daft, 2010). Different configurations of organizations (Mintzberg, 1979; 1989) too would be resultant in such arrangements.

# **HRM Practices for Enacting Work Organization**

As per Aycan et al. (2000), the internal work culture leads to three fundamental HRM practices which could be elaborated in terms of task, superiors and the employees. They particularly identify task related practices in an HRM system in terms of autonomy, task variety and task significance, while recognizing empowerment and control as superior related practices and performance and reward as the employee related practices.

Domestic HRM has not developed in isolation, but rather in the context of industrial change and economic development (Kiessling and Harvey, 2005). Domestic HRM is typically defined by Kiessling and Harvey (2005) as a broad typology that covers three areas: (a) work relations (i.e., the way work is organized, the division of labour and the deployment of workers around technologies and production processes), (b) industrial relations (i.e., the representational aspirations of employees and the 'voice systems' that may exist, such as work consultation, employee involvement practices, work councils and collective bargaining), and (c) employment relations (i.e., the arrangements governing such aspects of employment as recruitment, training, promotion, job tenure and the reward of employees) (Gospel, 1992).

Employee management activities can be sub-divided into practices, or techniques (Guest et al., 2004) where HRM practices can be measured in three different ways: by its presence (whether

it is actually in effect), by its coverage (the proportion of the workforce covered by it), or by its intensity (the degree to which an individual employee is exposed to the practice or policy) (Boselie et al., 2008).

In line with the above review, the important areas of HRM practices that become visible in a broader context are the practices around the job or task to be performed by people, the practices around the supervisory involvement, and the practices around the remuneration or rewarding of the employees comprising the whole set of HRM functions in a national culture. Thus, below we closely examine the three basic categories of practices, (a) job design, (b) supervisory practices, and (c) reward allocation.

# Job Design

All the functions of an organization cannot be performed by one person. Time, energy, skills and other resources will act as serious constraints in such an effort. Therefore, it is required to assign several individuals to complete different parts of the organization's total work load. Their contributions will be coordinated and the outputs will be combined together finally to achieve the common goal of the organization.

Scholars have traditionally defined jobs as a collection of tasks designed to be performed by one employee, and tasks as the assigned pieces of work that employees complete (Griffin, 1987; Ilgen & Hollenbeck, 1992; Wong & Campion, 1991). According to Opatha (2009), jobs are regarded as basic building blocks of the organization. Further, he identifies an organizational unit of work as a job that is composed of three main components, i.e., tasks, duties and responsibilities. According to Campion (1991), a task represents certain processes in which the worker, through his or her actions, transforms inputs into outputs meaningful to the goals of the job by using tools, equipment, or work aids and the actions of the task may be physical, mental, or interpersonal whilst on the other hand, a job is an aggregation of tasks assigned to a worker. If jobs are not properly designed, it is possible for a decline of the organization by not meeting efficiency, effectiveness and productivity (Opatha, 2009).

The HRM function which involves in dividing the entire work load into parts and forming different work units is simply called Job Design. Job Design was given a substantial identification as an important function of HRM from very early times. According to Glueck (1978), Job Design is the personal or engineering activity of specifying the contents of the job, the tools and techniques to be used, the surrounding of the work, and the relationship of one job to other jobs. Even a cursory examination of the job design literature reveals many different schools of thought: industrial engineering approaches of scientific management and time and

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motion study, the psychological approaches of job enrichment and motivating job characteristics, the human factors or ergonomics approaches, and socio-technical approaches to job design (Campion and Thayer, 1985). As observed by Morgeson and Humphrey, (2007) from the early time-motion studies of Taylor (1911) to the intense interest in motivational aspects of work in the 1970s (Hackman & Oldham, 1980), literally thousands of studies have been conducted examining work design issues and there is good reason for such interest, as study after study has shown that work design is important for a range of individual, group, and organizational outcomes (Morgeson & Campion,2003; Parker & Wall, 1998; Wall & Martin, 1987). One of the main constructs addressed by Aycan et al. (2000) under HRM practices in comparing the cultural impact on HRM practices among 10 countries was Job Design. Following Hackman and Oldham's (1980) conceptualization of enriched jobs they selected three measurements; feedback, autonomy, task significance and skill variety.

Job Design is defined by Opatha (2009) as the function of arranging tasks, duties and responsibilities into an organizational unit of work for the purpose of accomplishing the primary goals and objectives of the organization. Daft (1994) defines Job Design as the application of motivational theories to the structure of work for improving productivity and satisfaction. Job design has also been defined as the process by which managers decide individual job tasks and authority (Gibson, Ivancevich & Donnelly, 1994).

Some modern approaches to job design can be identified as follows. Campion and Thayer, (1985), identify four major approaches for job designing, i.e., motivational, mechanistic, biological and perpetual methods. Among them, the most commonly investigated approach has been the motivational work design (Morgeson and Humphrey, 2007).

Motivational Job Design is the amount of motivational features a job has when it is evaluated as a total entity (Campion, 1991). Mechanistic approach consists of the principles extracted mainly from classic texts on scientific management including F. Taylor, (1911) and motion study of Gilbreth (1911). According to Werther and Davis (1989), the mechanistic approach stresses efficiency in effort, time, labour costs, training and employee learning time and it is especially effective when dealing with poorly educated workers or workers with little industrial experience. The discipline bases for biological approach were the biological sciences, especially work physiology, biomechanics, and anthropometry and the perpetual method was based on experimental psychology. According to Morgeson and Humphrey (2007), task characteristics, knowledge characteristics, social characteristics and contextual characteristics are identified as the main components of motivational job design approach.

Task characteristics are primarily concerned with how the work itself is accomplished and the range and nature of tasks associated with a particular job where autonomy, task variety, task significance, task identity and feedback from the job are identified as task characteristics (Morgeson & Humphrey, 2007). Furthermore, they suggest knowledge characteristics include job complexity, information processing, problem solving, skill variety and specialization, while identifying social support, interdependence, interaction outside the organization and feedback from others as social characteristics. The contextual job design characteristics consist of ergonomics, physical demand, work conditions and equipment use.

Opatha (2009) summarizes two major categories of job design elements, i.e., efficiency elements, which include division of labor, standardization and specialization, and behavioral elements which include skill variety, task identity, task significance, autonomy and feedback. As noted by Dale and Cooper (1992), the 'Job Characteristics Model' developed by Hackman and Oldham (1980) also identifies skill variety, task identity, task significance, autonomy and feedback as core job characteristics involved in job satisfaction and motivation.

Several techniques are used to design jobs in the modern organizations. A key outcome for employees from job enrichment practices is the experience of job autonomy: the extent to which employees experience a sense of choice and discretion in their work (Griffin et al., 2001). Job enrichment practices, such as increasing job variety, can result in higher job satisfaction because of higher levels of perceived autonomy (Griffin et al., 2001).

# **Supervisory Practices**

Being a manager, a person undertakes the duty of working with and through other people to obtain their contributions to achieve the common goal of the organization. Since all the subordinates have their own personal goals to accomplish, the manager has a great responsibility of leading them towards the accomplishment of organizational goals while supporting them to realize their personal goals. The support and consideration of supervisors is a strong determinant of job satisfaction in a wide variety of job settings (Yukl, 1989).

In this scope, a manager has to cover up several HRM practices in order to lead and direct the subordinate workforce successfully. Supervisors play an important role in structuring the work environment and providing information and feedback to employees (Griffin et al., 2001). According to Durham et al., (1997) supervisor behaviour has an impact on the affective reactions of team members.

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Immediate supervisors also provide salient information about the support of the border organization for change and their behaviour is likely to be interpreted as representative of wider organizational processes (Kozlowski and Doherty, 1989). Griffin et al., (2001) conclude that the implicit assumption that supervisory support has less impact on employees when teams are introduced but even though supervisor support was less important in companies where there was greater use of teams, this support was still positively related to satisfaction.

Bhal and Ansari (1996) empirically demonstrated that measuring the quality of interaction in Leader–Member Exchange could be translated into just two dimensions: perceived contribution and affect. Subsequently, Liden and colleagues (Liden & Maslyn 1998; Liden, Sparrowe & Wayne 1997) came out with a four-dimensional LMX model, incorporating contribution (perception of the current level of work-oriented activity each member puts forth toward the mutual goals of the Leader–Member Exchange dyad), loyalty (the expression of public support for the goals and the personal character of the other member of the dyad), affect (the mutual affection leader-member dyads have for each other based primarily on interpersonal attraction), and professional respect (perception of the degree to which each member of the dyad has built a reputation within and/or outside the organization).

As observed by Hung, Ansari and Aafaqi (2004), researches have shown that LMX has significant associations with many important outcomes. For instance, LMX is positively related to organizational commitment, satisfaction with supervision, supervisory ratings of job performance, satisfaction with work, and frequency of promotions (Liden & Masyln, 1998). On the other hand, it is negatively related to turnover intentions (Liden & Masyln, 1998). More specifically, Duchon et al. (1986) reported that LMX correlates positively with organizational commitment.

Aycan et al. (2000) suggest empowering supervision as an important aspect of HRM where the cultural impact is high. They measure field by goal setting practices, empowerment practices, opportunity for self-control and supervisory control. Goal setting practices demonstrate the extent to which managers and subordinates jointly set specific goals as well as develop specific plans to achieve the goal (Erez and Early, 1987; Locke and Latham, 1984). Conger and Kanungo (1988) explain empowerment practice of a supervisor shows the extent to which manager encourages and provides support to supervisors.

In addition to that, managing employee discipline is another duty of a supervisor's role. Discipline is defined as the management action to encourage compliance with organizational standards (Werther and Davis, 1989) and it is further identified as the practice of making people obey strict rules of behaviour and of punishing them when they do not obey them (Collins Birmingham University English Language Dictionary, 1987). It is clear that the role of a supervisor includes the job of maintaining the discipline in the organization.

# **Reward Allocation**

The way of distributing rewards is an important motivational tool in work organizations (Erez & Earley, 1993). Understanding cross-cultural differences in reward allocation is of great importance because of implications for managers around the globe (Erez & Earley, 1993). After reviewing cross-cultural reward allocation studies, James (1993) concluded that individualists follow equity regardless of the group membership of their interaction partner, whereas collectivists are more likely to use equality when interacting with an in-group member but to allocate rewards equitably without group members even more strongly than would individualists. The three most common allocation rules in cross cultural research are equity (Adams, 1965), equality and need (Deutsch, 1975; Leventhal, 1976). Seniority has been added more recently as a fourth allocation principle of importance for cross-cultural research (Chen, 1995; Rusbult, Insko, & Lin, 1995).

The equity theory is concerned with the 'just distribution of wealth, power, goods, and services in society' (Adams, 1965). Equality refers to the principle that all organizational members receive the same regardless of their contribution (Deutsch, 1975). The need rule mandates that organizational members receive allocations depending on their personal need (Deutsch, 1975). Finally, seniority refers to a more generous allocation to more senior and older individuals.

#### **JOB DESIGN**

#### SUPERVISORY PRACTICES

# **REWARD ALLOCATION**

- Task related practices Work relations
- Superior related practicesIndustrial relations
- Employee related practices
- Employee relations

# Figure 5: Fundamental HRM practices enacted in the work organization

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# Conclusion

The ancient Sri Lankan public administrative system had a unique organization for work, enacted through numerous institutions. This organization was featured with Rajakari system, caste structure, formal and informal decision-making mechanisms and commanding systems, and physical and natural resource-based resource allocation systems in the social organization. Indigenous HRM practices have been derived from such organized institutions. Findings of this study lead us to understand certain relationships which are directives for future researchers. We propose them as below.

# Propositions drawn from the findings

Findings of the recent study lead us to the following propositions.

- P1: Indigenous HRM practices in the public administrative system in Sri Lanka have been derived from the (traditional) social organization for work
- P2: Institutions revolved around work roles, authority and resource allocation in the social or ganization have synthesized the HRM system of the ancient public administrative system in Sri Lanka
- P3: Indigenous HRM system in Sri Lanka have their roots basically on job design, supervisory practices and reward allocation practices

# Implications

The present study provides several implications for practitioners and theorists. First, the findings of the study emphasize the embeddedness of social institutions and the indigenous HRM practices in the ancient Sri Lanka. At the same time, one may have to realize the inseparable nature of the social organization and the local public administrative system in the country. This implies that the merits and demerits of the existing local public administrative system have been consequential upon the ancient institutional set up of the country. These findings further indicate the net of institutions and the interdependencies among them. As apparent, the indigenous HRM practices are also dependent on each other. Next, the relations shown between the organization of work and the HRM practices imply that HRM practices are shaped by and evolved in line with the evolution of work organization. As the evolution of work organizations are contextdriven, any ad hoc importation of new practices or best practices would not yield much benefits for local organizations. Further, this is an indication to the contemporary HR practitioners on the need of timely and contextual revisit and revision of existing HR practices.

Our implication for organizational and HRM theorists is centered on the three-fold functions which appear as the building blocks of indigenous HRM practices. Thus, task (indicated by job design), the leader (indicated by supervisory practices) and the reward have been the keystones on which the foundation for people management system was laid in the work organizations.



# Figure 6: Building blocks of people management system in the ancient Sri Lanka

This reminds us that human resources are basically influenced by these three highly important aspects of the organizational condition. Thus, further investigations into the triangle of task, leader and reward would reveal more speculations behind the realities of the individual behavior in organizations.

Further research avenues unveiled through this framework includes the possibility of expanding investigations into other territories, comparisons and theoretical developments. It enables studying indigenous people management practices in different localities and comparing them with each other, identifying similarities and differences. As such, the proposed framework offers a rational guideline to explore indigenous practices of managing people in contexts similar to the present research setting. Especially, it would be useful in Asian contexts which have passed phases of similar socio-cultural, economic and political changes and transformations during the past ages such as colonization and independence. Once expanded into similar contexts outside the country, the model can be used to make cross cultural comparisons too.

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### Abstract

The luxury wedding market in Sri Lanka is changing and growing. This paper assesses consumer buying behaviour, the current and future trends of luxury weddings in Sri Lanka. Truong and McColl's (2011) intrinsic and extrinsic motivations are tested. Interviews were conducted with ten Sri Lankan wedding planners, and thematic analysis was applied. The findings identify consumer behaviour, and map the types and current themes of luxury weddings. The three E's help define luxury weddings, they are exclusive, expensive and unique experiences where each wedding seeks to be different to the one preceding it. Central to the sense of luxury are the menu, decoration and entertainment. Intrinsic motivations of the quality of service on offer, and extrinsic motivations of what others think drive luxury wedding consumer behaviour. The paper concludes that culturally we can identify two likely, and potentially contradictory, trends in Sri Lankan luxury weddings, a move back to more traditional weddings, a continuation of more western thematic style weddings.

#### Keywords

Luxury weddings, consumer behaviour, Sri Lankan weddings, Sri Lanka, motivational factors.

### Introduction

According to Jayawardana (2016), the domestic luxury wedding industry in Sri Lanka is a growing market. The annual revenue for the luxury wedding market is USD 28 billion in 2017, with 3-6 million annual trips (Colombo Gazette 2018). The BBC stated that the average cost of a Sri Lankan wedding is \$3,000 per citizen, but for luxury weddings, this rises to \$30,000 (BBC 2011). Luxury weddings are considered as a place for the wealthy to show off their wealth (Eppolito 2014, Rubin 2018). An indication of the importance of the wedding market is that a number of wedding shows have been organised by 5 star Colombo Hotels. For example, the Shangri-La, Colombo, hosted for Bride and Groom Magazine a "designer wedding show" to showcase the newest wedding trends (LMD 2018). In addition, The Hilton Colombo hosted "Hilton Wedding Expo 2017" to highlight the newest wedding trends (Daily Mirror 2017). Each year there is an annual wedding show held in BMICH with the participation of hotels like Cinnamon, Kingsbury, Mount Lavinia and service providers like Lassana flora, Chamathka flora, Hameedia, Poru, Siritha and Citrus Events (Theweddingshow.lk 2018). This number of bridal shows imply that the hotels and suppliers believe that there is a sustainable luxury wedding market. This project will identify and assess, from the perspective of wedding planners, what influences buying behaviour and the current and possible future trends in the Sri Lankan domestic wedding sector. The aim of the research is to identify the current trends of domestic

luxury weddings in Sri Lanka from the perspective of wedding planners. The objectives are: (i) to identify the meaning of a luxury wedding; (ii) to evaluate consumer behaviour in choosing luxury weddings in Sri Lanka; (iii) to assess the key themes within luxury weddings in Sri Lanka, and (iv) to evaluate current trends in luxury weddings in Sri Lanka.

### **Consumer Behaviour**

Consumer buying behaviour is shaped by cultural, social and personal factors. The overall concept of culture can be viewed as a 'prism' where consumption choices are made in accordance to cultural norms (Durmaz 2014; Solomon et al. 1999; Latusznska et al. 2012). However, culture is a very broad concept, of more direct relevance to understanding luxury weddings is the idea of subcultures. Recent studies on subcultures (Boisnier and Chatman 2002; Durmaz 2014) have shown that they are more specific, highlighting the customs and practices of different nationalities and religions. For example, the decision making process follows those with the same values, education and employment, typically within the same social class (Ramya and Ali 2016). Culture, which is important for decision making, is shaped by subcultures, social class and demographic factors.

Social factors are central to the consumer decision making process (Fattah and Al-Azzam 2014). In the same vein, Latusznska et al., (2012) and Durmaz (2014) suggest that family members and peer pressure can strongly influence buyer behaviour. The role and status of the consumer within society highly influence buying behaviour (Ramya and Ali 2016; Latusznska et al. 2012). Why people buy a product is not just based on its price, features and benefits, but also what others think of it. The role of a person within the family, their status and peer pressure suggest that social factors influence consumer buying behaviour. A wedding is not just an event, but inherently says something about the social standing of those paying for it.

Research on personal factors has established that they are unique to each customer. For example, age plays an important role so that people consume different products and services in various stages of their lives as their passions and tastes evolve (Stavkova et al. 2008, Khuong and Duyen 2016). Social class factors such as income and occupation play a key role in personal decision making (Ramya and Ali 2016). People from higher social classes and/or who earn well have a higher purchasing power than others. Overall, personal factors vary from person to person, and change over their life cycle which shapes changes in the consumption of products and services. Seebaluck et al. (2015) suggest that intrinsic motivators and determinants of a person shape their personality, which can be identified through analysing the push and pull factors. Push and pull theory suggests motivating factors determine consumer behaviour for any

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subject (Guan 2014). Push factors are those intrinsic socio-psychological needs that prompt a behaviour (March and Woodside 2005) and can include escape, novelty, prestige, relationship enhancement and relaxation (Klenosky 2002). Pull factors are extrinsic motivations such as marketing, communication, perceptions of the destination and the physical facilities such as beaches (Kassean and Gassita 2013). Seebaluck et al. (2015) suggest that for tourists, the pull factors are the prime reasons why people get married in Mauritius, though push factors make the island more attractive.

#### Weddings

A wedding is a once in a lifetime celebration of two lovers getting together to share their lives (Davis 2000 cited in Ruonala 2013: 1). Weddings are events arranged according to different cultures, each with their own traditional customs, norms and rituals which add value to the wedding (Holmberg and Hu 2014, Sharma and Sharma 2015, and Krishnan 2008). The idealistic and romantic notion of marriage may no longer exist today, where increasingly people believe in the economic function of marriage over personal satisfaction (Coontz 2005). As a result, a dream wedding may be expensive where the unity of a couple is shown in a most unique way (Ruonala 2013, Ingraham 2004, Coontz 2005). These studies suggest that the economic satisfaction of consumers is encouraging weddings which cost billions of rupees. According to Deshpande and Webster (1989), culture is influential in cultural events like weddings. Baron et al. (2006) note that marriage is strongly influenced by culture. As Kacen and Lee (2002) point out, people tend to emphasize their culture through normative influence, self-identity and emotional suppression. The importance of culture on weddings is highlighted by Farzana (2016: 51) "There are different types and styles of weddings because of the different cultural and ethnic backgrounds." Smith (2016) suggests that cultural heritage combines fascination, glamour and excitement with traditions, customs and ideas. Together these studies highlight the importance of culture to weddings. The involvement of the family, friends and co-workers can be seen in weddings. Not only the closest, the brides-to-be take advice from the external parties like the wedding planners, bridal magazines and bridal shows because their only aim is to make their dream wedding the best (Farzana 2015). Family, friends and experts are centrally involved in planning a wedding.

Increasingly, themes are being applied to customise weddings. These are created according to the preference of the customer, which brings a unique experience to the couple as well as to the guests. Recent popular wedding themes have included vintage, modern and edible (Ruonala 2013). Themed weddings will shape which venues are selected and what is ordered in terms of flowers, decorations, food, photography and the size. Themed weddings provide a unique experience for the guests as well the couple, but at a price.

#### Methodology

This study focuses on the minds of wedding planners using their knowledge, experience and exposure to the wedding industry, and so an epistemological interpretive approach is adopted. This means that the researcher gained knowledge by understanding the attitudes and ideas of wedding planners about the luxury wedding industry of Sri Lanka. This exploratory research takes a qualitative approach to secure rich data of what is happening in the luxury weddings sector. With a focus on the expertise, experience and opinions of wedding planners, semistructured interviews provide in-depth factual and meaningful detail. As specific knowledge and insight was required, non-probability, purposeful sampling was used whereby those with special expertise or experience were selected (Patton 2002). The sample of ten comprised six individual wedding planners and four wedding planners from a 5 star Colombo based hotel. Combining respondents from wedding planning companies and a venue offers different perspectives and insights to luxury weddings. The wedding planners were selected based of their experience and event expertise. They represent or own companies that are either general wedding planning companies, or specialize in a particular component of the wedding offer. The particular hotel was chosen because it has experience of luxury weddings. Table 1 outlines who the sample were, they have been anonymized and so a code has been used for each respondent. The four hotel respondents have been classified with the same title, Sales Manager, though they represent different departments, job titles and seniority within the hotel. Interviewing four, each with a different role in producing luxury weddings, offers slightly different insights. All respondents signed an ethical consent form that guaranteed their anonymity, and the fact that the data could be used for research purposes.

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## Table 1. Interview sampleInterviewee

Hotel 1 Sales Manager	Hotel 4 Sales Manager
Wedding Planner 1	Wedding Planner 3
Wedding Planner 2	Wedding Planner 4
Hotel 2 Sales Manager	Wedding Planner 5
Hotel 3 Sales Manager	Wedding Planner 6

The interview data was analysed using framework analysis (Ritchie and Spencer 1994), so that it was coded, categorized and constructed into themes. Given that the research sought to identify trends framework analysis facilitated this. The advantage of this method is that the researcher can analyse clearly structured methodically presented data (Gale et al. 2013). The data collected from the interviews was categorized into broad themes. The advantage of this method is that the researcher can analyse clearly structured and methodically presented data (Gale et al. 2013).

#### Defining a luxury wedding

There is no agreed term for a luxury wedding, however, they are rare and therefore open to an exclusive clientele. For example, Hotel 3 suggests that in a typical year, they normally host only six to ten luxury weddings. The interviewees were asked what they considered a luxury wedding to mean, and Figure 1 outlines the characteristics they identified which help classify a luxury wedding. In terms of weighting, the most commonly referred to point was the budget/ cost, which suggests that for many consumers a luxury wedding is an example of conspicuous consumption (Veblen 1899). The next most popular characteristics mentioned are the quality of the food and the decorations. For example, Wedding Planner 3 said "Luxury will start off from the menu at the hotel." The decoration could be the overall feel, but also is likely to be in the detail. For example, Wedding Planner 2 suggested "As a floral designer luxury starts from the serviette...they want us to put a thank you note and have charger plates." Where most respondents defined luxury from the perspective of the bride, groom and their parents, Hotel 1 also noted the experience that the guests were enjoying, "It won't be just one function, but it will be multiple functions in multiple locations. So, it would be like an excursion being a part of these weddings." Respondents suggest that the motivation for luxury weddings meets both of Truong and McColl's motivations (2011), extrinsic and intrinsic. The extrinsic reflect the status of hosting such a wedding through the eyes of others, but it also may reflect the intrinsic internal self-fulfilment goals through the quality of the food and decorations provided. Pushpull factors, therefore, shape the motivations for having a luxury wedding.



### **Figure 1 Luxury Wedding Features**

A luxury wedding can be defined as a large gathering where the guests are aware that a lot of money has been spent on them and the bride and groom, which enables the person paying to show off their pride in the bride and groom. The money is spent on the quality of food, decorations and an unusual or high-end venue. Overall, it is luxurious because of the creativity used to create an atmosphere that feels exclusive. The luxurious experience is shared equally by the main principals, such as the close family, and those less central, such as distant relatives and friends. As an event a luxury wedding is an opportunity to be wowed, to be seen and to enjoy an exclusive experience that is available to only a very few.

#### **Consumer Behaviour**

According to Deshpande and Webster (1989) and Farzana (2015) culture influences cultural events like weddings. The different types and styles of weddings often reflect different cultural and ethnic backgrounds. Emphasizing a mix of cultural heritage, glamour and excitement with traditions, customs and ideas influence buying behaviour. According to Hotel 3 "This depends on the person's culture and background. If it is a more traditional person, they would select the type to be more rustic or more traditional items with the Nilame suit and the Kandyan attire. If the person is coming from overseas that involves more western; more related to the country, they are coming from." For many wedding clients culture and ethnicity play a central role in decision making.

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The perceptions and expectations of clients, shaped by their subculture, will influence the choice of the type of weddings, venues, menus and decorations. The wedding planners identify in Figure 2 the cultural, personality and social background factors which form what type of weddings are chosen. Figure 2 suggests that age, whether they are Sri Lankan or western influenced, social class and a simple desire to create a memorable experience drive luxury wedding buyer behaviour.



Figure 2 Selecting the type of wedding according to consumer behaviour

Venue selection is another major component of consumer behaviour. For example, Hotel 2 said "the client thinks about the name of the property or the brand, the people who had large weddings before." Therefore, consumer behaviour in selecting the venue can be shaped by branding and image, so what others might think is important. Moreover, consumer behaviour at luxury weddings differ from normal weddings. Hotel 3 highlighted "if a person has an unlimited amount of spending power then things that they would request will be unlimited as well. The person who can afford will probably want to get the most expensive suit for their overnight stay room, and the most elaborated menu for their function. They want to get the most expensive florist in the country." The overall sense from the interviews is that luxury wedding clients have an enhanced spending power, and so they expect the best from service providers.

Push factors like escapism and relaxation influence venue selection, whereby the buyers' personality influences the decision. Refreshments act as a pull factor, for example, according to the Hotel 2"They think about the name of the property. They love to have weddings at <this hotel>because of the previous experiences and recommendations. Our services are more specific when it comes to f and b. We are very personal with our clients starting from when they make a booking with us. We build a relationship with the client. We make the client comfortable in having the function with us and the assurance we give of food is important." Therefore, both push and pull factors are used to help the consumer select the venue.

### **Current trends**

The wedding planners identified two main types of weddings; traditional weddings and western weddings. Respondents suggest that traditional weddings can be further divided intofive different types, based primarily on religion and ethnicity: Buddhist; Catholic; Tamil; Islamic and Hindu.

Three wedding planners elaborated on the characteristics of traditional weddings, Table 2 identifies these characteristics. The traditions, customs, attire, and food differs from one type to another which has an impact on what is offered. Hotel 2 noted that their menus need to reflect different ethnic cultures, "We have different types of menus to cater to different segments which contain types of food according to their ethnic culture. For an example if it a Muslim Wedding then we will have different types of Savans, and the way we do the service also differs according to the type." This suggests how the food is being selected according to the nature of traditional weddings.

More traditional weddings where the content changes little are the Buddhist, Tamil and Hindu, though one respondent, Wedding Planner 1, suggested that some Buddhist weddings are spending less time on the traditional aspects. Planners suggest that Catholic weddings are more likely to be innovative. It is possible that the historic Catholic western links may explain why they are more innovative, and so incorporate or adapt some more recent western trends.

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Buddhist Weddings	Catholic Weddings
Detailed wedding ceremonies in Sri Lanka.	Most entertaining and happening wedding ceremonies in Sri Lanka with
Tend not to experiment, especially because of sensitivity to traditions.	newest trends.
	Trending celebration in pre-wedding a
However, there are new dressing patterns,	ctivities like proposing, Bachelor and Hens
designs and arts, particularly in Bridal and	parties, pre-shoots.
Grooms costumes.	
	Elegant costumes, themes, decors,
Latest trend is finding/introducing classical	and colours especially in photography/
Kandyan or noble outlook via themes, costumes, decorations, invitations, photography and colours.	cinematography.
Applies historical wedding traditions, designs	Use of new entertainments and attractive
and activities.	items such as photo booths, dancing
	and singing acts and the use of celebrity
Traditional deco on the oil lamp using traditional	participants.
flowers; lotuses and aralias.	1 1
	More likely to select different venues

Tamil Weddings	Hindu Weddings
Maintain traditional values.	Maintain traditions and the Poruwa.
iviantani traditional values.	Begin the ceremony in a Kovil.
	Wedding reception held in a hall.

Three of the respondents suggested that there is a move away from more traditional Sri Lankan weddings towards more western themed weddings. Hotel 1 mentioned that "Lots of Sri Lankan weddings are moving away from the traditional Poruwa and the arrangements, into a more western themed setup." The wedding planners identified the main types of western weddings by focusing on the clothes worn, refreshments and entertainment. For example, Wedding Planner 2 noted that for western weddings "the bride wants to wear a nice long frock, have a western deco, glitter and chandeliers."



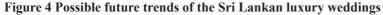
Figure 3 Current Luxury Domestic Wedding Trends

The current luxury domestic wedding trends are outlined in Figure 3. The most popular trends are massive decorations, exclusive menus and themed weddings. These trends combine a mix of emphasizing the traditional, but also applying some western ideas. There is a sense that a core trend is conspicuous consumption (Veblen 1899). Wedding Planner 1 noted "They don't want to do the same thing, everyone wants a different theme." This implies that as part of showing off, a luxury wedding needs to be unique and so a trend is to do something others have not. The future

Having pinpointed the key current trends, respondents then identified what they believed would be the future trends of the luxury weddings market, outlined in Figure 4. The most popular responses were traditional weddings, destination weddings, branding and the three-day wedding function.

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Three of the respondents, one from the hotel and two individual wedding planners, deliberately set out to research the current global trends and types of weddings, and what might be the new ones in the luxury wedding market. For example, Hotel 4 said "I research how weddings are happening and I look at the international weddings, how things are happening especially in India, and what new things we can introduce...We would like to introduce new theme colours, decorations and flower decorations." Therefore, Sri Lankan luxury weddings may seek to adopt and adapt trends identified in other countries, especially India.

Amongst the six wedding planners who speculated on possible future trends in Sri Lankan luxury weddings, there were two different and potentially conflicting trends. The first was to suggest that the current trend for more western weddings would be replaced by more traditional Sri Lankan weddings. For example, Wedding Planner 1 believed that there will be a move back towards traditional weddings with sit-down lunches and dinners rather than buffets, with more traditional drummers and dancers rather than dance floors. They believed that this trend is being driven by younger people, that "most young girls love traditional weddings." However, an alternative view is that western influences such as outside weddings at beaches or gardens will grow. Wedding Planner 2 noted "They want the big name", that people will ask who did the flowers and photography for instance? This supports the view that luxury weddings will,

in part, continue to be an example of Veblen's (1899) conspicuous consumption. These differences in opinion in terms of the influence of tradition or western themed influences in the future are not necessarily contradictory. Rather, luxury weddings are unique and exclusive, none is ever the same as the next. This sense of creating a unique experience can be shaped by a wish to have a traditional Sri Lankan wedding, a western inspired wedding or a fusion of both.

### Conclusion

This study investigated a previously unexplored area, the identification of consumer behaviour, current and future luxury wedding trends in Sri Lanka. There are limitations to the study in interviewing only ten respondents, and only one hotel. A wider range of wedding planners, including more five star hotels, would help validate the findings. In addition, this project only addressed luxury weddings from the perspective of the wedding organisers, a very different insight might be provided by guests of a luxury wedding. Future research that expanded the number of respondents, and spoke to a range of wedding attendees from key principals to family and friends, would significantly add to our understanding of luxury weddings in Sri Lanka.

Respondents offered a definition of luxury weddings which stressed that, compared to other weddings, the three Es are at their core, they are exclusive, expensive and once-in a lifetime experiences. The motivations for luxury weddings were both intrinsic, the high quality of the services and experiences provided, and extrinsic, what people will think as a result of attending. Luxury weddings are like all weddings a coming together of people, but they can also be an opportunity for showing off. Food, decorations and entertainment are core to what is provided which can be viewed as luxurious. There is not a simple playbook for luxury weddings, rather inherently each seeks to be unique and different from the one preceding it.

Consumer buying behaviour depends on the mentality of the client. The family, friends and coworkers have a major impact on the decision-making process. A luxury wedding is making a statement and is, in large part, conspicuous consumption (Veblen 1899): they want to show off. The brands used and how much is spent is an important aspect of luxury weddings in Sri Lanka. Luxury wedding behaviour is shaped by background, ethnicity, religion, culture and socioeconomic factors. Therefore, the buying behaviour of such weddings exist within a subculture that influences their location, decorations, entertainment and what people wear.

There were identified two main current trends, the first was for traditional weddings and the other was for more western influenced themed weddings. Respondents suggested that religion had an impact on each trend, with Buddhists, Tamils and Hindu's more traditional, and Catholic's

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more likely to be western influenced. However, they did note some changes in most of these religions, suggesting that luxury weddings were not standing still. For western style themed weddings key changes were what clothing people wore, the decorations and the entertainment provided, though not necessarily the menu. At a more detailed level interviewees highlighted the popularity currently of massive floral decorations, exclusive menus, thematic weddings, destination weddings, using rich colours for the costumes, inviting VIPs and the importance of brands.

Considering the trends of future weddings, interviewees highlighted the traditional versus western themes. One view was that luxury weddings would move away from western weddings, and back towards more traditional weddings. At the same time another viewpoint was that they would become even more western in nature. For example, there might be more outdoor venues such as beaches hosting part of the wedding. These views are not necessarily exclusive, rather they may reflect the differing needs of different subcultures. Both may be future trends for Sri Lankan weddings. In addition, there was some support for a third trend, namely the influence of India, so rather than having one day they might be held over several, with the Mehndi ceremony, Sangheet ceremony, pre-night wedding party, the wedding reception and the home coming. Moreover, underpinning luxury weddings is the inherent logic that each one needs to be, and seen to be, unique. Each wedding sets out its own levels of luxury and uniqueness. As a result, there is a competitive 'arms race' in the luxury weddings market that no one can ever win but drives on innovation and creativity and each wedding is making a statement.

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## SOCIAL NETWORKS AND SERVICE QUALITY: A CASE OF A SRI LANKAN SERVICE SECTOR ORGANIZATION

Neranjana Ekanayake and Chandrasiri Abeysinghe

### Abstract

This paper presents a study on the influence of social networks among employees over service quality of a service sector organization in Sri Lanka. The most sought after approach for managing quality is considered to be Total Quality Management (TQM), which is all about managing quality with the participation of everybody in the organization. TQM studies pay attention to how employees voluntarily participate in accomplishing work, but not on how they collectively behave towards quality. Social network studies capture such collective behaviors. The tendency to study implications of social networks among people is increasing. This study focuses on how social networks among operating employees influence service quality outcomes. This investigation was carried out from theoretical lenses of Organizational Role Theory (ORT), adopting the phenomenological tradition and by way of an instrumental case study. Interviews with managers and operational workers were the main sources of data. The research field was a leading automobile service provider in Sri Lanka having its mother company in Japan. The mother company is famous for introducing various TOM initiatives to the world. TOM practices and informal social networks are found in operation of this company creating quality implications. Findings were analyzed using ORT and reveal that social networks produce positive implications towards quality maintenance when a TOM environment exists. This research produces two outcomes with; (i) an extension to ORT theory and (ii) a message to the quality management practice.

*Keywords:* Service Quality, Social Network, Total Quality Management, Organizational Role Theory

### Introduction

In literature, the attention on studying service quality practices is less compared to manufacturing. In contrast, the importance of service sector in economies is greater. For instance, in the Sri Lankan economic context, the service sector carries a greater contribution than the manufacturing sector. In 2016, the share of services in GDP was 57.6%, whereas manufacturing showed only 29.8% (Central Bank of Sri Lanka, 2016). This study concentrates on and contributes to service quality knowledge.

Managing the quality of manufacturing or services occurs at two levels: at the design stage (Quality of Design) and at the production stage (Quality of Conformance). Quality of design is handled by a specific designated group in an organization, whereas, quality of conformance is maintained by the people who are involved in various processes from top to bottom of the orga-

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nization. Service operations are in general, more labour intensive and therefore, service quality largely depends on human involvements. The involvement of everybody in the organization to quality is recognized in Total Quality Management (TQM) (Mohanty & Behera, 1996). TQM, for its focus on obtaining participation of employees, is highly relevant for service operations because of more human involvement. This study investigates how social networks among co-workers of a service organization interact with its Total Quality Management effort.

Many TQM studies pay attention to the interrelation between managers and workers. In particular, how managers of an organization obtain maximum participation of employees towards the quality of the output. Some sociological studies draw attention to how interactions among peers create implications on behaviors of people of an organisation (Mora, Pont, Casado, & Iglesias, 2015). Such interactions and interrelations among employees are recognized as Social Networks (Oxford Dictionary). Mora et al. (2015) shed lights on managing social networks in the educational process. Educational social networks enrich the teaching–learning process by means of building a platform where users can interact with each other to share experiences, difficulties, results, materials, comments, documents, etc. (Greenhow,

cited in Mora et al. 2015). As per quality management studies, there is a natural tendency that employees develop networks which help them to adhere to fulfill quality concerns in operations (Broderick, 1998; Wickham & Parker, 2007).

Interrelations among members in a social network are explained in Organizational Role Theory (ORT) (Kahn, Wolfe, Quinn and Rosenthal, 1964). According to ORT, interrelations among members of a social network create obligations on individuals to fulfill operational requirements of peers in the network. Thus, the individual obligation of employees towards their peers in the network compels the employees to maintain quality of operations in order to maintain their relationship in the network. This study inquires whether this inference is applicable to the quality management practice of the selected service organization in Sri Lanka.

The study has two objectives; firstly, to understand the appearance of TQM culture in the selected organization, because Yapa (2012) reveals the ambiguity of understanding the existence of TQM context. Secondly, to understand the implications of social networking among employees on TQM outcomes, because some studies (for instance, Venkataramani, Labianca, & Grosser, 2013) indicate possible positive as well as negative outcomes of social networks on organizational outcomes.

The rest of the paper is structured as follows. The next section provides a literature review on service quality and quality management in relation to social networking. This will be followed

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by a brief discussion on ORT as the theoretical framework. This is followed by the presentation of methodology of the research. Next to this section is presentation of data of the research followed by analysis. Finally, conclusion of the research is provided.

#### Literature Review

Without managing quality, assuring and adding value has become an impossible proposition" (Peters, 1999). The nature of service quality is different from manufacturing quality, mainly because service provision is a process carried out in the presence of the customer to satisfy needs. 'If a service is truly fit for purpose, has had a specification set out and followed accurately; if we can do so consistently, know when something goes wrong, and know how to put it right and also fix the problem so the

same error does not keep occurring, then we can probably say that we are managing service quality'. (Peters, 1999, p. 7). Thus, quality could be provided only when specifications are set out and when they are followed constantly. The latter requires quality of conformance, which is to make sure that the product or service is produced according to the design (Talha, 2004). Quality is finally what can delight the customer.

"When work became more specialized and departmentalized, there came a new challenge, addressed by a wider notion of quality management called Total Quality Management (TQM)" (Peters 1999, p. 8). Simply, TQM is a quest for excellence, creating a "right first time" attitude, zero defects, and delighting the customer (Mohanty & Behera, 1996) by increasing the efficiency and effectiveness (Mohanty & Behera, 1996). TQM outcomes are evidenced in terms of improved teamwork, company morale and harmonious organizational climate (Dotchin & Oakland, 1994; Mohanty & Lakhe, 1998; Mohanty & Behera, 1996). Taking a wider perspective necessitates seeing how all the bits of the organization interrelate as a system, and then assuring the quality of the output (Talha, 2004; Peters, 1999; Mohanty & Behera, 1996; Dotchin & Oakland, 1994; Mohanty & Lakhe, 1998). In a TQM context, all the levels of organizational hierarchy are involved in quality of conformance, starting from top management to the operational level (Mohanty & Behera, 1996). "The only way to achieve 'total quality' orientation is by unifying the organization's employees' belief systems around some unifying values. By doing this, people will naturally use their intelligence and effort to gravitate towards a best outcome within these self-managed boundaries" (Peters, 1999, p. 9).

Service quality is different from manufacturing quality (Prajogo, 2005; Yasin, et. al., 2004; Hartline & Jones, 1996) and the former requires more customer involvement. According to Parasuraman, Zeithaml, and Berry (1985) and Ladhari (2009), elements such as intangibility, inseparability, heterogeneity and perishability differentiate service quality from manufacturing

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quality. Service quality is the overall assessment of a service by the customers, or the extent to which, service meets customer's needs or expectations (Parasuraman et al., 1985). If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al., 1985). The consumer's expectation is a critical component in service quality and is influenced by consumer's personal needs, past experience, word-of-mouth and service provider's communications (Parasuraman et al., 1985). This necessitates individual attention of service providers (Peters, 1999), which may be influenced by general conditions developed within a service situation such as tangibles provided, empathy, reliability, responsiveness, and assurances (Reimer & Kuehn, 2005; Suleyman & Kara, 2009; Dotchin & Oakland, 1994). These conditions illuminate the gravity of human involvements in a service situation.

Identifying a TQM situation is subjective. One can claim that Quality Guru Edward W. Deming's 14 principles are in the core, but the practice of TQM is not something he has introduced. TQM was a concept, which Deming 'did not use, nor tolerate use of the term "total quality management". (Petersen, 1999, p. 468). The ambiguity is further reflected in some studies. For instance, Yapa (2012) referring to Sri Lankan service sector claims that, although there is a growing enthusiasm among managers to implement TQM, a lack of thorough understanding of TQM philosophy has become a limitation.

Most of Deming's 14 principles of quality management emphasize the importance of maintaining an organization-wide human involvement in quality (Deming, 1981). However, they focus on organizational members as individuals and the principles are about measures that could be taken by the management in order to ensure the involvement of employees. The possibility of collective involvements among employees is an alternative to this. Such collective involvements are discussed as social networks of employees.

Social network is a perspective, which is being increasingly adopted in understanding behavioral implications of people in a given social context today. Social network is an array of people in a given situation, showing 'structural characteristics and inherent relationships' (Wichmann & Koufmann, 2016). A social network contains a group of actors and interrelations that link these actors (Brass, Galaskiewicz, Greve, & Tsai, 2004). The investigation of a social network can involve dyads (i.e. two actors and their relationship), triads (i.e. three actors and their relationship), or larger relationships,

including entire networks (Wasserman & Faust cited in Wichmann & Kaufmann, 2016, p. 742). Social network perspective has been applied in organizational studies to understand the signifi-

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cance of social relations as an approach to individual and organizational performance (Borgatti & Halgin, 2011). Persons and organizations are actively engaged in network relations in enacting them, neglecting them, choosing to keep them or dissolving them (Lizardo & Pirkey, 2014). The interconnectedness of parts of these networks cause network effects. Employees' centrality in the networks ties positively as well as negatively at work and it may influence employees' organizational attachment (Venkataramani et al., 2013).

Theories such as Actor Network Theory (ANT) and Social Role Theory (SRT) and Organisational Role Theory (ORT) theorize networks among people . ANT (Latour, 2005, 1996) offers a fresh approach to study corporate environments, challenging implications of conventional hierarchical relations (Luoma-aho & Paloviita, 2010). ANT emphasizes that what matters are not actors' identities or categories they fit, but rather their interrelations and stake they hold (Luoma-ano & Paloviita, 2010). ANT is particularly useful for its emphasis in understanding the process of translation, where actors convince others to join their cause (Latour, 1996). Thus, the ANT focuses on seeing how one or a group of actors take others into a network to defuse an idea. This is different from the view point of SRT and ORT. According to SRT, social networks emerge from a situation as a voluntary social action. It considers that everybody in the society has a defined role such as mother, teacher, husband, wife or clergy and accordingly derived rights, duties, expectations, norms and behaviors (Broderick, 1998; Wickham & Parker, 2007). This phenomenon is applied to members in an organization as ORT, which focuses on the roles that individuals enact in a social system in an organizational context. Thus, within an organization every employee has a role to play (Wickham & Parker, 2007). The role of each employee may be pre-planned, task-oriented, and in line with their hierarchical positions (Wickham & Parker, 2007). As per ORT those specific roles of each employee are expected by others in the institution and each actor knows the possibility of repercussions against any unexpected behavior within the organization (Broderick, 1998; Wickham & Parker, 2007).

Those enacted roles of each employee may reflect organizational culture and norms (Wickham & Parker, 2007). In order for an organization to function effectively, the ordered arrangement of roles must be effectively communicated, fully understood, and accepted by its employees (Katz & Kahn, 1966). The point in relation to quality management drawn from the ORT is the influence of peers on others to maintain work standards. Thus, organizational role may stimulate work within social networks among employees.

### Methodology

In selecting a research strategy, the nature of the perceived connection between the theory and the research implies the underlying epistemological and ontological stances (Bryman, 2004). In this research, the authors perceive the connection between ORT and its involvement within a

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social network as the theory. The authors accordingly are interested in understanding how such a social network among employees form behavior as far as the service quality is concerned, because the latter is highly influenced by human involvement compared to manufacturing situations. The authors have a subjectivist ontology, where they believe that the reality is constructed by the involvements of actors as perceived by the researchers. Hence, epistemologically, this research needs to be an interpretive study and thereby requiring qualitative research strategy to be adopted.

The study was carried out as an instrumental case study. Case study approach involves an empirical inquiry to investigate contemporary events within a real-life context, especially, when the boundaries between the phenomenon and context are not clearly evident and the investigator has limited control (Yin, 2003). A case study may be carried out either as a holistic study or an instrumental study. In a holistic study, the case is studied in detail to understand the formation of the phenomenon under investigation. However, in an instrumental case study, only the phenomenon under investigation is studied, locating within the context of the case (Stake, 2000). Since the focus of this research is to investigate how social network among employees create implications on quality performance, the instrumental case study method supports.

This research focuses on exploring how social network among employees create implications on service quality in a large scale private sector business establishment. For this, the Husserl's phenomenological tradition (Eagleton, 1983) is adopted. The phenomenological tradition of research explores 'lived experience' of a phenomenon. Martin Heidegger (1889 – 1976), a student of Husserl, explored the 'lived-world' in terms of an average existence in an ordinary world (Schwandt, 1997). A phenomenological inquiry can use interviews to gather the participants' descriptions of their experience, or the participants' written or oral self-report, or even their aesthetic expressions (e.g. art, narratives, or poetry). This method encourages the relevant participants to give a full description of their experience, including their thoughts, feelings, images, sensations, and memories - their stream of consciousness - along with a description of the situation in which the experience occurred. Boyd (2001) regards two to ten participants or research subjects as sufficient to reach saturation and Creswell recommends "long interviews with up to 10 people" for a phenomenological study (Groenewald, 2004, p. 46).

Without proper access to the selected organization, doing an in-depth study would be impossible. The company was selected as a result of a personal contact with the senior management of the organization. For the purpose of this research, a main branch of the company was selected, which is engaged in vehicle maintenance and repair services. The selected company is a well-

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known brand for quality vehicles, spare parts as well as for quality service. At the initial preparation for the data collection, a desk research was conducted to gather historical and background information of the company and the research context. For the desk research, the authors referred to related documents from the internet, web page of the company and employee handbook. To have a foundation and blessings to the study, the authors conducted an initial discussion with the General Manager - HR & Administration, and the Senior Executive HR, of the company. Having done that, the authors decided the specific branch of the organization as the research site to carry out semi-structured interviews. Accordingly, the Branch Manager and two Assistant Managers of the selected site were first interviewed. Having studied the operational process of the branch, the 'Maintenance Service' line, where regular maintenance services for motor cars are provided, was selected to study. With guidance and help of the managers, three work supervisers of the line were interviewed. On the guidance of Supervisors, three worker groups were interveiewed. Each interview took nerely an hour.

### Discussion The Research Cite

The selected Sri Lankan company is the trading arm and a 100% owned subsidiary of its parent company in Japan. The Group of companies is one of the world's largest auto manufacturers. It has around 348,000 employees worldwide. The Sri Lankan company operates with 3 types of branches; Service I, Service II, and Service III. For the purpose of this study, one of the main branches in Service III category was selected, which is located within the Colombo Metropolitan. The selected branch is the most famous idol for the motor car service stations among all the branches in Sri Lanka. Other than providing automaker service, the branch is engaged in spare part selling and vehicle selling. For the purpose of this study, we have selected its service section. The branch operates with 120 total number of employees. The service section is comprised of 2 main service lines: vehicle maintenance and vehicle body painting, deploying 120 employees altogether. Out of the total operational employees, the majority is employed in the vehicle maintenance section. For this reason, we have selected 'vehicle maintenance' section because of the human involvement focus in this study. The number of operational level employees in the vehicle maintenance section is 50.

### The TQM Environment

As Peters (1999) elucidated, TQM environment influences people to be unified towards best outcomes within self-managed boundaries. Hence, the first attempt of this study was to understand the existence of TQM environment within the selected organization. A conventional quality environment may not allow or support networking among operators mainly due to the

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existence of competing quality targets among employees. This may hinder development of participation among employees, but only the development of rivalry among employees. The inquiry about the existence of a TQM environment of this organization was made referring to major TQM characteristics (also known as critical success factors) (Ahire, Golhar, & Waller, 1996; Zeitz, Johannesson, & Ritchie, 1997), such as top management commitment, quality measurement and

benchmarking, process management, product design, employee training and empowerment, supplier quality management, customer involvement and customer driven quality approach. Investigations were carried out by way of interviews referring to these identified TQM characteristics.

The top management's commitment is implied in the statement by the General Manager HR:

"In our organization, we value not only the quality of vehicles and parts, but also the quality of the service we deliver. Simply, quality gives the priority over the cost."

According to this statement, the top management of the company understands quality and its importance. Top management's understanding leads to their policies and actions towards main-taining the intended quality.

Perception of operational level employees could be simulated to their action to maintaining quality. Customer orientation in operations was illuminated in a statement made by Manager Service Operations:

"Here the quality concept not only enhances the public perception or image of the organization, but also pay off in greater customer loyalty and increased sales and profit."

With the intention of maintaining quality, the management has limited the volume of operations to be carried out per working day. Through this initiative, the management hopes workers to concentrate on the quality rather than quantity to be completed. According to Service Manager;

"The average Customer Paid Units (CPUs) per day is approximately 90. And another 5 vehicles with warranty would be delivered with a free service. Finally the throughput per day would be 95 vehicles."

Another TQM characteristic is doing right first time without relying on inspections. The com-

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pany emphasizes on this. According to the Branch Manager;

"The company has set an international standard award called; Fix It Right (FIR). Here we check on each job whether the award conditions have been met. And we have won the Gold medal for the FIR award continuously four times."

As another practice towards TQM, the company considers the priority on customer satisfaction, leaving no room for disappointment for any type of customer. The company serves two types of customers, namely, appointment customers and walk-in customers. Appointment customers are those who come for services with a prior arrangement. Walk-in customers are customers who expect the service without prior appointment. Despite the company having customer orders for full capacity, its policy is not to turn any walk-in customer back with no service provided. Hence, at the designing phase, the company has kept adequate capacity reserved for such customers. Thus, as per the company policy, customer service is maintained with no disappointments. The Branch Manager explained; *"In the appointment register we keep 30% blank space for walk-in customers."* 

As another initiative towards maintaining customer satisfaction, the practice of overpromising to the customer is avoided. Unlike in manufacturing, in service processes managers start with identifying ways to improve customer satisfaction by setting internal and external performance goals (Reijers, 2003). These goals are known as service level agreements (SLAs). According to SLAs, the service provider should undertake services only to the extent to which the capacity of the company allows. This practice avoids overpromising to customers, taking the risk of creating customer dissatisfaction. As per the Branch Manager;

"We are trying our level best to do the job according to work strength and the capacity of the workstation. Then the real purpose of the appointment register will be served."

Customer participation by allowing customers to observe whether the service is operated to their satisfaction is facilitated in this organization. This is different from the practice at their Head Office in Japan, where customers are not interested in observation of the service process. This company has changed the practice considering the culture in the Sri Lankan context.

Employee training is a fundamental and critical success factor in TQM. Managers of this company believe training as a compulsory element for each and every employee at any process, whether operational or administrative, in reaching performance goals. According to the Branch Manager:

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"The training is considered as a goal in performance appraisal of each employee. There are 4 levels of the training; Technician, Pro Technician, Master Technician, & Diagnostic Master Technician. Management and technicians are trained in Japan, Bahrain, and in Dubai for hybrid training, diagnostic training, and for automatic transmissions."

The training process was triangulated at the interviews with worker groups. Each employee we contacted has had a formal training in Japan conducted by the Head Office of the company. A training manager explained their rationale of providing training to employees; "We analyze the skill gap of technicians with a matrix and send required technicians to training sessions." An employee (a Technician) expressed the enthusiasm of training received:

"I have been given an adequate training to complete tasks here. I was sent for one week training in Bahrain once. Other than that there are around 2 training sessions we have to go through each year."

Maintaining single supplier policy is another initiative adopted in TQM environments. Vendor selection in this company is based on quality of supplies rather than cost minimization. The Branch Manager mentioned that they had the policy of procuring 60% of materials locally and the balance from imports. However, responding to customer and employee suggestions for quality improvement, the company has changed the policy, moving towards a more expensive option. Accordingly, total supplies are obtained from a selected supplier base in the United Kingdom. As per the manager, although cost is higher, these materials are not hazardous to employees and the environment.

Avoiding individual competing operational targets is another emphasis of TQM as recognized in Deming's 14 points. In the organization being investigated, no individual targets to be met on a daily basis are seen. However, a daily work volume to be achieved is laid down. This ensures the minimum standard of works by individual employees. The Branch Manager explained;

> "In-built quality of a service needs to be checked by the technician himself, while achieving monthly targets given for them. Saved labour hours are paid with a bonus incentive scheme."

In the automobile service industry, it is a common practice that customers provide 'tips' to service operators. Management of the organization observes that this practice can lead to cre-

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ate competition among employees and which may hinder the TQM culture. The managers of the service operation revealed that such situations are avoided through attractive compensation policies:

"Our employees are passionate; they do not entertain tips here. Because we look after our employee well, so they do not need tips."

Essence of TQM outcomes is the voluntary participation and engagement of employees in maintaining customer satisfaction. As we observed in this TQM environment, employees have developed loyalty and entrepreneurship towards the service operations. Expressions of employees imply their personal interests towards customer quality so that the company operations could be preserved. On the other hand, labour turnover among employees is very less. Workers we met have been working for the company for more than five years, depending on their date of recruitment. Some employees are working for more than ten years. Managers explained their efforts to maintain employee satisfaction;

"You know, we have made each and every employee to earn a good remuneration depending on

their service performance. Everybody is drawing at least Rs. 70,000 per month. Nowhere they can earn

this much of a salary. For this we don't give tough targets. If they work achieving the allocated

work target for the day, they are eligible for the monthly incentive. Naturally, they all do it. We know they don't think of leaving our company because they will not find any place to have these kinds of benefits."

Thus, for the existence of situations, where top management commitment towards customer quality, employees having a customer need drive, emphasis on doing right first time, customer participation in quality assurance, employee training, single supplier focus, avoidance of competing individual targets and employees satisfied of their employment, we find the existence of a TQM environment, referring to TQM principles mentioned before.

Having observed the existence of a TQM culture in this company, we next investigated the extent to which social networking among employees exists and how it contributes to the main-tenance of quality.

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#### Social Networking among Employees

Managers of the company allow social gathering among employees.

Thus, theyhave made workplace arrangements so that ties between employees and accordingly informal networks among them are formed and encouraged. For example, for this purpose, although individual tasks are assigned, employees are allowed to be involved in helping others depending on the needs of the situation. In order to encourage the formation of such informal networks among employees, managers schedule work break times for groups together, focusing on promoting their interrelationships. This enables employees, who are engaged in interrelated operations at different work centers in the service process, to get together and communicate or discuss their issues.

The training process of employees is another point, where managers have arranged to promote social networking among employees. An employee expressed his view of the network formation at the training and positive implications of the network in relation to work outcomes.

"The relationship we built in the training made us fearless and made us confident, that we can do any sort of complex job here together as a team. We face together any issue of any sort."

The Branch Manager expressed his view on implications of networking as being experienced in the process: "Higher the bond of the network, the complaints are hidden among employees themselves and do not reach the management."

Furthering on this statement, the manager expressed some implications of social networking among employees. Accordingly, when any defect in the service process is found at any work center or with an employee, in most circumstances others in the network come to help in rectifying rather than taking it to the notice of the management. Managers allow such actions as a way of continuous improvement. This also implies the level of empowerment provided to employees.

The manager further expressed that if one in the service process is late in completing the task for any reason, others in the network quickly gather and support their colleague to complete the task on time so that the overall service process is not affected.

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### Analysis

In the investigation, we attempted first to verify whether a TQM culture exists compelling employees to be quality conscious and provide customer satisfaction. We found that mainly, top management commitment towards quality, customer satisfaction and orientation, employee training and satisfaction, and employee quality orientation through avoiding competing targets among employees. Hence, we initially established the existence of TQM culture to a satisfactory level in this organization, enhancing employee participation to quality of operations.

In our observation of networking among employees, it was revealed that the most notable implication of the networking among employees in this company is 'mutual caring' among individuals of their network. This is not found in existing relevant literature and hence is a contribution.

The Organizational Role Theory (ORT) pays attention to employee networking. It highlights that in a social network, each and every individual has a defined or understood role, which is expected by others in the network for smooth operations (Broderick, 1998; Wickham & Parker, 2007). Accordingly, when employees have formed network relationships, each individual in the network considers that the maintenance of quality in their individual task is their obligation towards others in the network. In such a situation, employees tend to work with care to the task so that their task outcomes would not create unfavorable remarks among their counterparts of the network. This illuminates the individualist perspective towards employee behavior in a

social network. ORT seemingly has neglected the collective actions among the individuals in the network.

However, our observation in the investigation is different. In contrast to the assertion of ORT, we observed that the network promotes team spirit among individuals in the network in meeting overall quality requirements. In this situation, quality is maintained as a team and individuals in the network take care of peers in order to make sure that they collectively meet quality objectives.

The team spirit among employees is further promoted by the company policy of equality among employees, cleanliness and tidiness, communication and career management. Equality among each and every category of employees is maintained by the organizational management and has given rise to team spirit among individuals in the employee network. Employees feel less alienated and instead a needed element of the organization. Such employees are more inclined to embrace the organization's quality goals (Flynn, Schroeder, & Sakakibara, 1994). An Executive

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### in HR explained the intentional effort to promote equality among employees:

"The equality has been maintained among employees throughout the day. The food and the tea provided for operational employees are in exact quality where executives are provided with. Sanitization facilities (washing rooms, dressing rooms) for operational level employees are provided in equal condition compared to executives. All the operational level employees are given the same Christmas hamper which all the executives are given. This is valued around Rs. 8000-10000."

Some conditions prevailing in the organization promote team spirit among employees. Career management, providing equal opportunities for all employees and potential of direct communication helps creating feelings of equality among employees giving rise to positive implications of social networking among employees. The company maintains an open door policy, where not only managers but also the CEO, MD or President leave their office-door "open" to encourage openness and transparency among the employees. An Assistant Manager HR and Administration explained the open-door-policy of the organization.

"Open-door policy is highly encouraged here. Any employee can meet even the CEO, but requested to inform the immediate senior regarding the issue."

The workers revealed how the peers in the group take care of each other at work. Accordingly, if any employee finds difficulties in completing any daily assigned task, others in the network comes to the particular workstation and help to finish the task. Similarly, if any error has occurred at a work center, the employees who work in other work centers gather and rectify the error without taking it to the notice of management. Thereby, the network of employees by helping each other maintains the final quality requirements of the company.

Thus, the outcome of the study illuminates that the company encourages networking aong employees and which enhances the potential for maintaining quality of the service operations, by way of avoiding delays and errors. This team behavior is encouraged by policies of the company and the customer centererd and employee empowered context prevailing within a TQM environment.

#### Conclusion

This study investigated the implications of social networking among employees engaged in service operations on service quality management. In the service situation, human involvement is relatively higher compared to manufacturing situation. Hence, the potential for networking among employees is high in service situations. Positive implications of social networking

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could reasonably be envisaged only when a TQM environment exist, where employees are empowered, adequately trained, adequately remunerated and top management involvement by way of supportive policy environment is available. In order to understand the implications of social networking, this research used Organizational Role Theory (ORT), which explains how a defined role of people in an organization creates individual obligations on performing his or her role seeing the possible implications on the performance of the peers in the social network, resulting in improvements in performance of the organization. Thus, the ORT illuminates the 'individual obligations for better performance' created by a social network.

This research investigated how social networks operate in a service situation in the Sri Lankan context. For this, an organization engaged in providing motor vehicle services was selected. This organization operates at a large scale and has policy directions from its parent company in Japan. In order to study the operation of social networks within the organization, literature suggests that there should be a TQM context prevailing. This is because in a TQM environment, employees are empowered and trusted as well as their loyalty to the organization is purposefully built up.

The prevalence of a TQM environment is a question, because in some cases managers misunderstand TQM environment (Yapa, 2012). Hence, we first investigated whether the selected organization has a TQM environment. For this, critical success factors for TQM (Curry and Kadasah,2002) were used as criteria. Investigations revealed that the selected organisation demonstrates TQM characteristics such as, top management commitment towards quality, cutomer oriented quality culture, employee empowerment and training, supplier partnership and team based work culture, rejecting individual competing targets. These conditions, are furthered by the provision of better financial and environmental conditions for employees. This situation taken together, support worker mindset of loyalty to the organisatin and interest in working in teams for the organisational achievements rather than individual. Next, we investigated how social networks among employees perform for quality of the service operations of the organization. Investigations found that the company intentionally arrange opportunities, for instance in work breaks and training, for employees to construct network. The employemnt culture and policies promote equality among employees to support the formation of social networks among them. For example, career management providing equal opportunities for career propects of employees and 'open-door' policy. In addition, the company maintains cleanliness and tidiness of the work situation with hopes of maintaining healthy mindset of employees. Mainly, the company's focus on preventing competition and rivalry among workers highly support the potential networking behavior. According to the policy of the company, everybody in the team is entitled for the same incentive if they achieve the daily target. This situation stimulates any person who has spare time to help the other to complete the target, encouraging employees in the network to help each other in order that the overall quality is maintained.

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Compared to ORT, which emphasise individual obligations as the drive towards better performance, the social network among operational level employees of this organization operates differently. Mainly in this context, the network operates for caring among peers. Whenever there is a delay or any error occurred at any workstation, peers in the network come to help and save the colleague. In this manner, quality is assured to the final customer. On the other hand issues in operations are sorted out by the employees together by themselves rather than taking to the notice of managers. This enables quality improvements on a voluntary basis among employees.

ORT has not captured the collective behavior among people in a social network in an organization and instead focuses on individual obligations. However, we find that when employees work in an informally constructed social network, with the support of the management and other supportive conditions of the organization, the individuals in the network create a caring relationship so that they collectively support each other, resulting in the maintenance of organizational quality plans. The ORT does not consider the existence of a TQM culture and collective interactions of employees of a social network in an organization.

Hence, we conclude that social networks in organizations, if supported by Total Quality culture, where mainly top mangagement commitment towards quality, employee empowerment, training and emphasis on team work culture as against competing individual performance targets, can work positively towards enhancement of quality, avoiding delays and wastes. In another way, we suggest that social network among employees is a supportive element for TQM.

We have a few suggestions for further research. In contemporary studies, it is highlighted that network relations rather than hierarchical relations effectively work within organizational contexts. On the other hand, when the conditions are conducive, social networks among employees emerge naturally without managerial involvements. The network observed was also such a voluntary one blessed with the support of managers. However, when conditions are not up to the level mentioned in this study, implications of such networks could be different. Yapa (2012), referring to Sri Lankan context, has found that TQM is not in existence as an identifiable category of practice. Instead, different elements supporting TQM could exist in different degree among different organizations. Hence, further research is needed to identify how social networks operate in such diverse organizational conditions.

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# THE ROLE OF COMMUNITY EMPOWERMENT ON SUSTAINABLE ECO-FRIENDLY RESORT DEVELOPMENT: A CASE STUDY OF KAN-DALAMA RESIDENTS IN SRI LANKA

# Gayanika D M S

# Abstract

Tourism is associated with economic, environmental, and socio-cultural benefits, which can contribute to revitalization of communities and enhancement of residents' quality of life (Andereck & Nyaupane, 2010). When examining residents' support for eco-friendly tourism development, community empowerment plays a major role since, in order to achieve successful sustainable tourism development, community leaders and developers need to view tourism as a "community industry" that enables residents to be actively involved in determining and planning future tourism development with the overall goal of improving residents' quality of life (Franzoni, 2015). In Sri Lanka, there are many eco-friendly tourist hotels which pay more attention to tourist attractions and paying less attention to community. However, the hotel cannot be sustained without the community support. Therefore, while examining the residents' support for eco-friendly tourism, this study extends the existing residents' support model in the literature by testing the empowerment scales suggested by Scheyvens (1999), using Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) through AMOS. The results revealed that the empowerment scales in eco-friendly resort development in Sri Lanka are valid, and community empowerment plays an important role in gaining community support for the eco-friendly resort development.

Key words: Community empowerment, community support, eco-friendly tourism

# Background

Tourism is widely believed to be the most rapidly growing global industry. According to World Tourism Organization, eco-friendly tourism is believed to be the fastest growing tourism seg

Tourism is associated with economic, environmental, and socio-cultural benefits, which can contribute to revitalization of communities and enhancement of residents' quality of life (Andereck & Nyaupane, 2010). When examining residents' support for eco-friendly tourism development, community empowerment plays a major role since, in order to achieve successful sustainable tourism development, community leaders and developers need to view tourism as a "community industry" that enables residents to be actively involved in determining and planning future tourism development with the overall goal of improving residents' quality of life (Franzoni, 2015). In Sri Lanka, there are many eco-friendly tourist hotels which pay more attention to tourist attractions and paying less attention to community. However, the hotel cannot be sustained without the community support. Therefore, while examining the residents'

support for eco-friendly tourism, this study extends the existing residents' support model in the literature by testing the empowerment scales suggested by Scheyvens (1999), using Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) through AMOS. The results revealed that the empowerment scales in eco-friendly resort development in Sri Lanka are valid, and community empowerment plays an important role in gaining community support for the eco-friendly resort development.

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### Background

Tourism is widely believed to be the most rapidly growing global industry. According to World Tourism Organization, eco-friendly tourism is believed to be the fastest growing tourism segment (Buckley, 1994: Deardon and Harron, 1993). "Eco-friendly tourism" is environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features - both past and present) that promotes conservation, has low negative visitor impact, and provides for beneficially active socio-economic involvement of local populations" (Ceballos-Lascurain, 1996). The main problem that has stemmed from this is that often the term is misused or misinterpreted for developments which do not hold true to the original meaning of eco-friendly tourism (Ross and Wall, 1999).

An eco-resort is an establishment where providing hospitality services to the eco tourists while practicing ecotourism principles. All eco resorts reflect the creative initiative and entrepreneurialism of business pioneers, rather than large multinational corporations. In the eco-friendly tourism sector of the tourism industry in Sri Lanka, there are self-declared eco resorts which are registered under the Sri Lanka Tourism Development Authority (SLTDA). Rangana et al. (2015) explain that the owners of these eco resorts in Sri Lanka define the concept of eco-friendly tourism in four different ways such as; Nature related tourism, Environment conservation tourism, Wildlife related tourism, and Nature and cultural related tourism, which show that there is no standard way of understanding the eco-friendly tourism is equal to the above-mentioned concepts, but in the international context, the above concepts are totally different from eco-tourism. As a result, the eco-friendly tourism concepts practiced in the eco resorts are also different from the global standards. Eco tourists look at the concept of eco-friendly tourism in global standards, but the practice in Sri Lanka is different from it. Since the practice is different the sustainability of this sector is threatened.

According to Rangana et al. (2015), the issue of failure to practice the eco resort concept happened due to four reasons. First, Sri Lankan eco-tourism business is not being guided by inter-

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national principles and the "National Policy Plan on Eco Tourism" is yet to be formulated by the tourism authorities in Sri Lanka by the time of 2015 (still by 2018 it is not yet formalized). Secondly, there are only a few true eco resort operators who adhere to the eco resort principles. Thirdly, there are few sufficiently qualified people to handle eco tourists and finally, the non-availability of genuinely planned eco resorts that guarantee the economic benefits to the community living around the eco resort areas. This spells out that the eco resorts in Sri Lanka, which should primarily need to practice eco principals and guarantee benefits to the community, have failed to do so over the years.

### **Research Problem**

With the mismatch of concept and practice of eco-friendly tourism in Sri Lanka, the sustainability of the industry is at great danger. Evaluating the sustainability of this industry is therefore vital. Any eco-friendly resort can be successful by its operational performance, which is internal. However, it cannot be sustained if the surrounding is not supported, hence the community or the residents of the surrounding make an enormous contribution for the success of the resort.

According to Sri Lanka Tourism Strategic Plan 2017-2020, it is identified that Sri Lanka's prospects for sustainable tourism growth is still at its infancy, and at a critical juncture (SLTDA, 2017). In this, it states that, "The general population still does not view tourism as a sector that is good enough for their children to build careers in. These cultural and social perceptions will change only if communities are fully engaged in the process of developing tourism and feel empowered to be proud custodians, as well as beneficiaries, of the valuable endowments around them." This elucidates that the community perception in Sri Lanka is still not positive towards the industry, and it could change only if they are engaged and empowered as key stake holders of the industry.

Hitherto, the ecotourism sector has not been systematically examined for collecting data, and thus not reaped the expected benefits. The strategic plan also identified that one of the key challenges of the tourism industry in Sri Lanka is the lack of formal data, and comprehensive research to capture information on factors attracting or discouraging potential employees to or from the tourism and hospitality sector. One of the factors that the strategic plan specifies for lack of entry, training and retention of staff in the tourism sector is due to lack of empowerment. Hence, the core strategies were developed to empower tourism workforce and to get community engagement, which will contribute considerably to a high-value visitor experience (



### Figure 1: Core Strategies 2017-2018 (Sri Lanka Tourism Strategic Plan)

Source: Sri Lanka Tourism Strategic Plan 2017-2020, SLTDA

Hence, testing the level of community empowerment in eco-friendly tourism is vital since accurate data is not available and empowerment has an important role to play in community engagement and thereby contributing to sustainable eco-friendly resort development in Sri Lanka. Hence, this study aims to examine the role of community empowerment which affects their perception about the industry and the support for sustainable eco-friendly resort development.

### **Community support for tourism**

Eco-friendly tourism development usually involves a wide variety of stakeholders, including tourists, residents, governments, managers, and so on. The success of the eco-friendly tourism sites depends on the three stakeholders; i.e. resources, community and tourists (Das and Chatterjee, 2015). It should protect natural resources and meet the conservation strategies, and for the successful implementation of such conservation policies, should get the involvement of the local community in the entire process to ensure the benefits reach residents, because the sustainable management of such areas ultimately depend on the co-operation and support of the community.

Many researches confirm the importance of understanding the needs and interests of local communities and facilitating their involvement in eco-friendly tourism (Russell & Harshbarger, 2003). As one important stakeholder, the community plays multiple roles in eco-friendly tourism (Scheyvens, 2002). As one essential element in its conceptualization, eco-friendly tourism should involve effective community participation and equitable sharing of benefits (Ross and Wall 1999). The community should be empowered to participate, monitor, and benefit from eco-friendly tourism.

Reviews of several studies analyzing the experiences of eco-friendly tourism ventures over the world, synthetize the positive and negative aspects of eco-friendly tourism. On the positive

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side, many communities have been able to manage successful eco-friendly tourism ventures, and though the actual benefits of these eco-friendly tourism ventures are rather small in many cases, they still play an important role in increasing the means of living of communities, relative to a benchmark situation often characterized by poverty and exclusion (Coria and Calfucura, 2012). As proclaimed by Das and Chatterjee (2015), it is identified that the eco-friendly tourism has become the main livelihood activity of the members of the communities, replacing many traditional livelihood activities that damaged the environment, i.e. hunting, gathering, livestock, crop farming and forest clearing etc.

Through increasing the standard of living of the people by employment opportunities and small enterprise development, eco-friendly tourism empowers the local community as well. This can be through economic, social, political and psychological benefits given to the community. According to Scheyvens (1999), economic gains can empower the community economically; shared income of eco-friendly tourism among community members such as providing education and health can empower them socially; local community participation in decision making can empower them politically; and finally, by external recognition and appreciation of the community culture, their traditional knowledge can build self-esteem of community members through psychological empowerment. Therefore, an area rich in bio-diversity, where mostly the eco-friendly tourism exists, can empower the community members which can strengthen the reason for co-existence. Not only in the short run, but also by providing infrastructure and help in the education of children of community, members will lead to develop the human capital and empower the local communities in the long run as well (Das and Chatterjee, 2015).

Stronza & Gordillo (2008) in their research found that non-economic benefits of eco-friendly tourism helped enable local communities with new skills and ways of thinking. They explained that eco-friendly tourism has the ability to generate novel ideas since members reinvest profit in the community, manage projects and monitor the results of their efforts. It was identified that eco-friendly tourism contributes more income, more training opportunities, personal growth, greater ability to talk with a range of people, and as one of the local community member states, "our communities are able to handle problems better now" (Stronza & Gordillo, 2008. Pg.461).

Another positive effect of eco-friendly tourism is it reduces the gender disparity. Thien (2009) explained that in the process of eco-friendly tourism, the women can be economically empowered, who can take an active role in opening restaurants, making foods and sell to the tourists, which can reasonably emancipate themselves from traditional roles and gender norms. When women are economically empowered, the benefits are for the broad range of community members (Das and Chatterjee, 2015). When women take an active role in tourism, they become liter-

ate, their children become literate, they increase awareness on health and hygiene which create a multiplier effect to the community. These impacts of eco-friendly tourism show that there is a significant contribution of non-economic benefits such as empowerment over the community, which can positively impact on their positive attitude towards tourism.

### **Theoretical findings**

Tourism industry is heavily relying on the good will of the local communities and as well as their support for the development (Gursoy et al. 2002). Hence the quality of life of the community and their support for tourism have been extensively researched in the literature (Nunkoo and So, 2015, Gursoy et al. 2002, Nunkoo & Gursoy, 2012). Social Exchange Theory (SET) remains one of the most widely used frameworks by researchers attempting to study community attitudes (Nunkoo and So, 2015, Gursoy et al. 2002, Social et al. 2002, Nunkoo & Gursoy 2012). According to Nunkoo and Ramkissoon (2011), residents are willing to enter an exchange with the industry when the perceived positive impacts outweigh the negative consequences, which means their perceptions are such that gains are higher than the costs, and thereby their support.

Social exchange theory has been shown to be a suitable theoretical framework for analyzing residents' perceptions and attitudes toward tourism development (Wang and Pfister 2008). Social exchange theory suggests individuals are likely to participate in an exchange (i.e., supporting a development plan) if they believe costs will not exceed benefits. In terms of tourism, residents who perceive tourism to be personally valuable, and believe that the costs associated with tourism do not exceed the benefits, are likely to support tourism development. Social exchange theory encompasses three points of view, economic, environmental, and sociocultural, that can assist in determining how residents will respond to future tourism development across vital aspects of a community (Andriotis and Vaughan 2003).

Nunkoo and Ramkissoon (2011) has developed a model of residents' support for tourism based on the social exchange theory (SET), which comprises fourteen hypothesized relationships and was tested using data collected from residents of Grand-Baie, Mauritius. Results indicate that residents' support was influenced by perceived benefits, perceived costs, and community satisfaction. Perceived benefits were affected by community satisfaction, institutional trust, power to influence tourism, and neighborhood conditions. This study has further considered the role of trust in the exchange between residents and the tourism industry, which was the addition to the previous SET models which they found is a promising relational construct in understanding residents' attitudes, demanding further investigation by other researchers. Community satisfaction and neighborhood conditions did not exert a significant influence on perceived costs, and the power to influence tourism was also not found to affect community satisfaction.

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The residents' support for tourism is a heavily researched area where hundreds of scholars have investigated community perceptions and their relationship with residents' support for tourism. Nunkoo and So (2015) has made significant contributions to research on residents' support for tourism by developing a baseline model and comparing it with four competing models. As they argue, Social Exchange Theory (SET) has been the most widely used theory to investigate residents' support for tourism from 1992 to-date, but many studies have conceptualized social exchanges in various ways by using different variables, reflecting one or more dimensions of SET. And there are some limitations of this as well. One reason that they bring is existing studies informed by SET are based on conflicting, yet theoretically sound, research propositions and leading to confusion among tourism scholars, thus it contains sparks of controversy. Hence this study brought together the ideas underlying social exchanges in a single study and empirically tested the different theoretical possibilities offered by SET. Therefore, it has developed a baseline model of residents' support for tourism and compare it with four competing nested models using structural equation modeling. That method facilitated in uncovering new relationships among variables, and was useful for development of the theory. The study has further uncovered that residents' trust and their level of power to be intimately connected to their quality of life and their perceptions of tourism impacts.

As explained by Nunkoo and So (2015) in their baseline model, the concept of power (PW) that exists in a set of specific relationships is central to SET, where actors are positioned within this network of power relations. As explained by Ap (1992, p. 679) "power is usually viewed as the capacity to attain ends", hence it adversely influences residents' perceptions of tourism development, while positive reactions from residents are associated with a high level of power. Hence here they argue that power is a unidimensional construct and found that residents' trust in government, and their level of power in tourism development, as the two strongest determinants of quality of life. However, in the limitations of their study, they also state, "Thus, future studies should consider the multidimensional nature of these variables to further clarify the theoretical relationships tested in this study" (Nunkoo and So, 2015, p.12).

This shows that power is an important predictor of SET, but still some controversy can be seen in the operationalization of power as a unidimensional construct. Hence, Nunkoo and So (2015) suggest that empowering local residents in tourism is another effective strategy for fostering positive attitudes and improving quality of life and education, and training of local residents to work in the tourism sector are other important sources of local empowerment. This shows that empowerment can play a major role in residents' support in tourism literature.

Scheyvens (1999) has developed an empowerment framework and identified the unidimensional

aspect of power in tourism, which provide a mechanism with which the effectiveness of ecofriendly tourism initiatives, in terms of their impacts on local communities, can be determined. The framework has utilized four levels of empowerment: psychological, social and political, as based on Friedmann's writing (Friedmann, 1992), and economic empowerment. This framework emphasizes the importance of local communities having some control over, and sharing in the benefits of, eco-friendly tourism initiatives in their area, and could be applied in the contexts of both western and developing countries, but, because it takes as its central concern the concept of empowerment, it is perhaps particularly pertinent when examining the extent to which indigenous people, or other disadvantaged groups, are benefiting from eco-friendly tourism.

While the rhetoric is compelling, only a handful of tourism studies have gone beyond the focus of community participation to specifically concentrate on empowerment in sustainable tourism (Cole, 2006; Scheyvens, 1999). Most recently, Cole's (2012) conceptual work discusses the importance of information and empowerment as being central to achieving sustainable tourism. The seminal work on empowerment within tourism is contained in Scheyvens' (1999) conceptual article highlighting what psychological, social, and political empowerment looks like within community-based eco-tourism. This is particularly useful for the current study because it provides detailed descriptions of what empowerment should look like within sustainable tourism development. To deepen this discussion, Scheyven's (1999) descriptions of psychological, social, and political empowerment are reviewed below.

### **Social Empowerment**

Social empowerment, within a tourism context, ensues when one perceives tourism as increasing his or her connection to the community. Scheyvens (1999) describes social empowerment in terms of enhanced community equilibrium, with residents feeling more connected and beginning to work together. This understanding of social empowerment highlights the parent literature's focus on individuals having access to social organizations that help maintain the local quality of life and individuals working together in an organized fashion to improve their collective lives. The negative social impacts of tourism recognized by Stronza and Gordillo (2008) in the Peruvian, Ecuadorian, and Bolivian Amazon are in stark contrast to these positive descriptions of social empowerment. These include the erosion of cooperation within the community, the unequal treatment of community members from tourism development, and some community members 'buying' themselves out of traditional community obligations.

On the other hand, social disempowerment may occur if tourist activity results in crime, begging, perceptions of crowding, displacement from traditional lands, loss of authenticity or pros-

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titution. Inequities in distribution of the benefits of tourism can also lead to social disempowerment through feelings of ill-will and jealousy which they may foster. Clearly in all communities there are inequalities which may be exacerbated by the introduction of a somewhat lucrative industry to which all will not have access.

# **Psychological Empowerment**

A local community, which is optimistic about the future, has faith in the abilities of its residents, is relatively self-reliant and demonstrates pride in traditions and culture, and can be said to be psychologically powerful (Scheyvens, 1999). In many small-scale, unindustrialized societies, preservation of tradition is extremely important in terms of maintaining a group's sense of self-esteem and well-being. Boley & McGehee, (2014) explain that psychological empowerment helps communities reevaluate the worth of their culture, natural resources, and traditional knowledge. They further explained that this reevaluation of the community leads to an increase in self-esteem and pride which has a positive influence on resident perceptions of tourism.

### **Political Empowerment**

Political empowerment, within a tourism context, speaks to residents having agency or control over the direction of tourism development within their community (Scheyvens, 1999). It is the dimension of empowerment that most closely resembles the overarching notion of residents gaining mastery of their affairs. More concretely, political empowerment necessitates residents having a voice in the tourism planning process, and being able to share their concerns over tourism development. It is similar to community participation, but represents the highest rung of ladders of community participation because the attention is shifting away from mere inclusion of residents to residents having control over the tourism planning process. As with the other dimensions of empowerment, resident perceptions of political empowerment were found to have significant relationships with how they perceived the positive and negative impacts of tourism (Boley et al., 2014).

### Methodology

To examine the role empowerment plays in sustainable eco-friendly resort development, this study was conducted in Sri Lanka considering the residents in Kandalama, which is located in the north-eastern side of Dambulla in Sri Lanka. The hotel, Heritance Kandalama, is a well-known and successful hotel in Sri Lanka, which promotes eco-friendly tourism with its sustainable architecture that is not harmful to the natural environment, however built in the midst of

huge resistance from community leaders, villagers and several other pressure groups. Twenty two years back, this small tourism city had become a focal point of attention among the community of Sri Lanka when the local community of this area and several pressure groups were organizing huge protests against the construction of the Heritance Kandalama. The construction, planned nearby the pristine lakeside of this tranquil city, has upset the local villages and prompted them to organize resistance towards the construction.

As explained by Nayomi and Gnanapala (2015), the management of Heritance Kandalama has recognized the issues, took steps to address them and work with the pressure groups as well as the villagers, to build relationships that have helped to operate this award-winning resort in a sustainable manner. This gives an interesting context to study the perception of communities towards the eco-friendly tourism, their quality of life and support. Today, they are practicing many projects to empower communities and it has been awarded many local and international awards for their eco-friendly practices and CSR activities. As identified in the study conducted by Nayomi and Gnanapala (2015), one of the hotel managers has stated that, "When we consider about the economic benefits, according to our recruiting policy, we have targeted to recruit 70% of locals within a 25 km radius from the hotel. Out of that percentage, currently there are only 55% of employees working in the hotel. We also have a purchasing policy. That means, a variety of fruits and vegetables are purchased from the local community, which directly cause to increase their incomes .Our CSR investment projects have also benefited locals like building houses for poor people, donation of spectacles to villagers, donation of wheel chairs, etc." (Nayomi and Gnanapala 2015 p.62).

Therefore, it was identified that this eco-friendly resort as one of the best areas to study the role of economic and non-economic benefits (empowerment) in sustainable eco-friendly resort development.

### **Selection of the Sample**

The population studied were the residents who owned a home, including permanent and seasonal residents, and was selected as the unit of analysis. Residents, who may or may not own a home, might have been an alternative sample, but these lists are often unavailable and not regularly updated. A homeowner list was obtained from Grama Sevaka officer of Kandalama village. There are 463 families in Kandalama village, and the sample consisted of 202 households. A quantitative approach was taken with 200 residents in Kandalama village who live within a 20 km radius from the hotel, the closest village to Heritance Kandalama. A door-todoor, pen and paper questionnaire was used, applying a systematic random sampling scheme, commonly used within resident attitude research. This type of sampling scheme was chosen

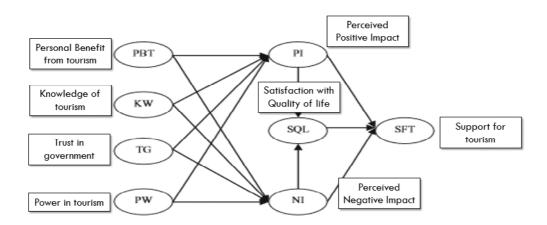
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based upon its ability to best garner a representative sample of community residents, increase response rates, and include minority groups that may be left out from other sampling methods (Boely et al., 2014). Every second household on the right side of the road was chosen to be surveyed until 202 usable questionnaires have been completed. It is suggested that a minimum sample size of around 200 respondents is necessary to ensure effective use of Structural Equation Modeling (SEM) analysis. However, a sample size beyond 400 is also likely to be problematic as it may generate poor goodness-of-fit-indices (Anderson and Gerbing, 1988).

### Measurements of the Variables

There are hundreds of models in the literature which have tested the community support using the Social Exchange Theory (SET), since it is the most widely used theory to examine the community contribution in the field of tourism. However, Nunkoo and So (2015) have made significant contributions to research on residents' support for tourism by developing a baseline model, and comparing it with four competing models empirically tested for the different theoretical possibilities offered by SET (Figure 2)

# Figure 2: Baseline model in residents' support for tourism using Social Exchange Theory



### Source: Nunkoo and So (2015)

As suggested by Nunkoo and So (2015), this study has adopted the scales for four variables to test the measurement scales such as perceived positive impact of tourism, perceived negative impact of tourism, support for tourism and direct personal benefits from tourism. However, this model assumes power as unidimensional and this study assumes that power is multidimensional. The main contribution of this study is inclusion of power as a multidimensional construct. Here, power is identified, as suggested by Scheyvens (1999), as empowerment, and has three constructs; social empowerment, political empowerment, and psychological empowerment. These measurement scales are developed after an extensive literature search. These three empowerment constructs were examined using a structured questionnaire after reviewing of existing literature dealing with residents' attitudes toward tourism development and was modified based on feedback received from several county officials and tourism professionals

### **Research design**

For each of the scales, residents were asked to mark their level of agreement on a 5-point Likert-type scale, where 1 = strongly disagree and 5 = strongly agree. When testing this model, exploratory factor analysis was used as the initial step to test the relationships between variables using AMOS's Principal Component Analysis (PCA) within the Statistical Package for the Social Science's (SPSS.)

### Analysis

A random sample was selected and the pilot test was conducted with 50 residents in Kandalama. The Cronbach's alpha scores for the latent variables of direct economic benefits from eco-friendly tourism, positive impact of eco-friendly tourism, negative impact of eco-friendly tourism, psychological empowerment, social empowerment, political empowerment, residents' support for eco-friendly tourism were 0.93, 0.90, 0.94, 0.80, and 0.91, respectively. All of the scores exceeded the benchmark of 0.70. Thus, these scores indicate that the instrument had an acceptable level of internal consistency for items measuring the same construct.

# **Exploratory Factor Analysis (EFA) for Validity**

An exploratory factor analysis was conducted on the 41 items with a promax rotation using SPSS. Exploratory factor analysis is a statistical method employed to increase the reliability of the scale by identifying inappropriate items that can be removed and the dimensionality of constructs by examining the existence of relationships between items and factors when the in-

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formation of the dimensionality is limited. In this study, the seven factors (i.e., Direct economic benefit of eco-friendly tourism, positive impact of eco-friendly tourism, negative impact toward eco-friendly tourism, psychological empowerment, social empowerment, political empowerment, residents' support for eco-friendly tourism) were used to determine the pattern of the structure in the 41-item in the questionnaire and were used to create a scree plot.

### **Preliminary Seven-Factor Structure**

An initial analysis was run to obtain eigenvalues for each factor in the data. The Kaiser- -Meyer Olkin Measure verified the sampling adequacy for the analysis, KMO=.930 which is above Kaiser's recommended threshold of 0.6. Since it is above .9 there is an excellent sample adequacy for the analysis. Bartlett's test of Sphericity Chi-square is 15013.621, p < .000, indicated that correlations between items were sufficiently large for EFA. Six factors had eigenvalues greater than one, as the 4.1.3 clearly illustrates the respective eigenvalue (next page). The initial 41-item structure explained 86.936% of the variance in the pattern of relationships among the items. The percentages explained by each factor were 47.581% (negative attitude of eco-friendly tourism), 14.438% (positive attitude of eco-friendly tourism), 10.534% (psychological empowerment), 5.307% (residents' support for eco-friendly tourism), 4.007% (Direct economic benefit of eco-friendly tourism), 2.865% (social empowerment) and 2.206% (political empowerment) respectively. Based on the results of the initial exploratory factor analysis, there are some cross loading such as "I like to see Kandalama as an eco-friendly tourism destination further" has a cross-loading with positive attitude of eco-friendly tourism and "I would economically benefit from more tourism development in Kandalama" has a cross-loading with three factors in the initial analysis. There are two other items in the questionnaire, such as "I like to support for the environmentally friendly tourism in Kandalama" and "Tourism at Kandalama has improved employment opportunities in my community", which also have cross-loadings in the pattern matrix.

### **Final Seven-Factor Structure**

After deleting four items which were cross-loaded on five factors, the final seven-factor structure in this study was composed of 37 items. The total variance explained by the seven factors now shows the value 90.232%. However, after removing the four cross loaded items, there creates an issue of Heywood cases (Heywood, 1931), which are greater than 1 in the pattern matrix the final EFA has the total variance explained of 90.396%. The final seven-factor struc-

ture includes 34 items in the pattern matrix loaded in to clear seven factors as expected after removing cross-loadings and Heywood cases. Table 1 below explains that each of the seven factors percentage of variance explained in initial seven-Factor structure with 41 items and final seven-factor structure with 34 items.

Table 1: Eigenvalues, total variance explained of the initial structure and the final

### structure

	Init	ial seven-f	actor stru	cture	Final seven-factor structure						
	Eigenvalues					Eigenvalues					
	Total	% of variance	Cumulat ive %	KMO sampling adequacy	Total	% of variance	Cumulative %	KMO sampling adequacy			
Factor 1	19.508	47.581	47.581	0.930	16.466	48.428	48.428	0.921			
Factor 2	5.920	14.438	62.019		4.971	14.621	63.049				
Factor 3	4.319	10.534	72.554		3.991	11.740	74.789				
Factor 4	2.176	5.307	77.860		1.961	5.768	80.557				
Factor 5	1.643	4.007	81.867		1.517	4.462	85.018				
Factor 6	1.175	2.865	84.732		1.041	3.061	88.079				
Factor 7	.905	2.206	86.938		.788	2.316	90.396				

Source: Survey data

According to Table 1, the final model has increased percentage of variance in each factor compared to the initial structure. The percentages explained by each factor were 48.428% (negative impact of eco-friendly tourism), 14.621% (positive impact of eco-friendly tourism), 11.740% (psychological empowerment), 5.768% (residents' support for eco-friendly tourism), 4.462% (direct economic benefit of eco-friendly tourism), 3.061% (social empowerment) and 2.316% (political empowerment) respectively and the total percentage explained by the seven factorstructure is now 90.396% and the KMO sampling adequacy is 0.921 which is excellent and the factor analysis is appropriate.

There are seven factors loaded as shown in Table 2, nine items for factor 1 represent Negative impact of eco-friendly tourism, seven items for factor 2 represent positive impact of eco-friendly tourism, and five items for factor 3 represent psychological empowerment, four items for factor 4 represents residents' support for eco-friendly tourism, three items for factor 5 represents economic benefits from eco-friendly tourism, three items for factor 6 represents social empowerment and three items for factor 47 represents political empowerment.

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				Factor	5		
Factor 1: Negative impact of eco-friendly tourism	1	2	3	4	5	6	7
Tourism has created significant solid waste, air, water, noise and soil pollu- tion in Kandalama	989						
Tourism encourages residents to imitate the behavior of the tourists and relinquish cultural traditions	986						
Due to eco-friendly tourism our traditional occupations are under threat	971						
The prices of many goods and ser- vices in the community have in- creased because of tourism	966						
Tourism has negative attitudes on the natural resources (including the collection of plants, animals, rocks, or artifacts by or for tourists)	962						
Tourism income generated in the area goes to outside organizations and individuals.	955						
Most of the natural places are unpleasantly overcrowded as a result of tourism	954						
Tourism contributes to social prob- lems such as crime, drug use, prosti- tution, alcoholism, gambling, smug- gling, and so on in the community	933						
Tourism damages village environ- ment and local culture	928						

Table 2.: The Items and Final Seven-Factor Structure after Factor Reduction Procedures

Table 2.: The Items and Final Seven-Factor Structure after Factor Reduction Procedures

	Factors							
Factor 2: Positive impact of eco-friendly tourism	1	2	3	4	5	6	7	
Our standard of living has increased considerably because of eco-tourism	999							
Tourism at Kandalama has created new businesses to our peoplens	952							
Tourism has promoted our awareness and participation in environmental pro- tection now than before	946							
Tourism at Kandalama has increased residents' pride in the local culture of the community	935							
Tourism has improved the public infra- structure such as roads, electricity and water in the area.	911							
Tourism at Kandalama has encouraged various cultural activities such as arts, crafts and music in the local residents	892							
Tourism has improved the area's appearance (visual and aesthetic)	884							
				Facto	rs			
<i>Factor 3: Psychological empowerment</i> Eco-friendly tourism at Kandalama,	1	2	3	4	5	6	7	
Makes me proud to be a Resident of Kandalama	998							
Makes me want to tell others about what we have to offer in Kandalama	977							
Makes me feel special because people travel to see my village unique features	960							
Makes me want to work to keep this area special	956							
Reminds me that we have a unique natu- ral resources to share with visitors	952							

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	Factors							
Factor 4: Residents' support for eco-friendly tourism	1	2	3	4	5	6	7	
I would like to see tourism become an important part of my community.	960							
I believe there should be more invest- ments to promote Kandalama as an eco- friendly tourism destination	819							
I will join the activities which are rel- evant to the promotion of eco-tourism	801							
I believe that tourism should be active- ly encouraged in my community.	780							

	Factors								
Factor 5: Economic Benefits from eco-friendly tourism	1	2	3	4	5	6	7		
My family's economic future depends upon tourism in Floyd County	972								
A portion of my income is tied to tour- ism in Kandalama	898								
I will join the activities which are rel- evant to the promotion of eco-tourism	713								

Factor 6: Social empowerment								
Eco-friendly tourism at Kandalama	1	2	3	4	5	6	7	
Makes me feel more connected to my community	934							
Provides ways for me to get in- volved in my community	926							
Provides ways for me to get in- volved in my community	769							

	Factors							
<i>Factor 6: Political empowerment</i> I feel like,	1	2	3	4	5	6	7	
I have access to the decision making process when it comes to eco-friendly tourism in Kandalama	848							
I have a voice in eco-friendly tourism development decisions in my area	834							
I have an outlet to share my concerns about tourism development in Kanda- lama	810							

Moreover, four factors (e.g. political empowerment, positive impact of eco-friendly tourism, negative impact of eco-friendly tourism and social empowerment) in this study were highly correlated to each other, as shown in Table 1.5.3. The factor correlation between factor 3 (psy-chological empowerment) and factor 6 (social empowerment) was .615; the correlation between factor 1 and factor 7 (negative attitude of eco-friendly tourism and political empowerment) was .561; the correlation between factor 2 and factor 7 (positive attitude of eco-friendly tourism and political empowerment) was .638.

Factor	1	2	3	4	5	6	7
1	1.0000						
2	454	1.0000					
3	.296	436	1.0000				
4	.436	184	.448	1.0000			
5	126	.418	240	102	1.0000		
6	.446	490	.615	.367	225	1.0000	
7	.561	638	.450	.291	143	.494	1.0000

# Table 3.: Factor Correlation Matrix

Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization.

# **Reliability Analysis**

The reliability of an instrument or questionnaire is concerned with the consistency, stability, and dependability of the scores (McMillan, 2007). For this reason, the internal consistency was tested using Cronbach's alpha for each competency in SPSS. If the alpha value is higher than 0.9, the internal consistency is excellent, and if it is at least higher than 0.7, the internal consistency is acceptable. Excellent internal consistency means that the survey items tend to pull together. In other words, a participant who answers a survey item positively is more likely to answer other items in the survey positively.

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	Mean	Cronbach's	No. of	Reliability
	value	Alpha	items	
Negative impact of eco-friendly tourism	2.5	0.991	9	excellent
Positive impact of eco-friendly tourism	3.71	0.977	7	excellent
Psychological empowerment	3.06	0.986	5	excellent
Residents' support for eco-friendly tourism	3.8	0.893	4	acceptable
Economic benefits from eco-friendly tourism	3.6	0.825	3	acceptable
Social empowerment	3.04	0.984	3	excellent
Political empowerment	3.4	0.927	3	excellent

### Table 4.: Reliability analysis

# **Confirmatory Factor Analysis (CFA)**

The Confirmatory Factor Analysis (CFA) verifies the number of underlying dimensions of the instrument (factors) and the pattern of item–factor relationships (factor loadings) (Boley et al., 2014). Therefore, CFA was performed prior to testing the proposed hypothesis to assess model fit and the validity of the constructs (Hair et al., 2010). The CFA revealed good model fit for the absolute fit indices and the incremental fit indices with chi square value 1496.256 (p = 0.000) and absolute Goodness of Fit (GOF = CMIN/DF) 3.035 which is really at the margin of 3. While the chi-square statistic was noticeably high and significant, it is important to note the chi-square is very sensitive to large sample sizes and should be compared to other fit statistics that account for sample size such as the RMSEA (Hair et al., 2010). RMSEA of the data set is .101 which is again high as a result of high sensitivity to the sample size. However, CFI = 0.922 which is above 0.9, and PCFI = .811. It was concluded an acceptable model's fit (Hair et al., 2010). The values are not above the threshold, however, due to the measurement models that comprise many indicators and several factors in which the majority of cross-loadings and error covariances are fixed to zero.

Table 5: Model fit indicators

	Default model	P value
CMIN	1496.256	0.000
DF	493	
GOF	3.035	
RMSEA	0.101	
CFI	0.922	
PCFI	0.811	

In addition to testing a measurement model's goodness-of-fit, CFA provides a stringent test of construct validity (Hair et al., 2010) which consists of four components: convergent, discriminant, nomological, and content validity. Convergent validity is indicated by evidence that different indicators of theoretically similar or overlapping constructs are strongly interrelated (book). Hair et al. (2010) recommend that at a minimum all factor loadings should be statisti-

cally significant and have loadings that are 0.5 or higher to represent convergent validity. In order to determine convergent validity through the amount of variance extracted (AVE), Hair et al. (2010) suggests AVE should be above 50%.

Discriminant validity is indicated by results showing that indicators of theoretically distinct constructs are not highly inter-correlated. Hair et al (2010) recommends calculating the Construct Reliability (CR) when using CFA because CR incorporates measurement error into the calculation. CR values higher than 0.7 indicate internal consistency, which represents all of the items of the scale consistently measuring the same latent construct (Hair et al., 2010). The Table 5 indicates the validity and reliability measures of the CFA model.

As seen in Table 6, the factor loadings for each scale (AVE) were above the 0.5 cutoff and ranged from 0.679 to 0.956, indicating strong convergent validity. Discriminant validity was tested for the distinctness of each construct from the other constructs included in the model (Hair et al., 2010). A rigorous test of discriminant validity is to compare the AVE for any two constructs to the square of the correlation between the two constructs (Hair et al., 2010). According to that, Square root of AVE for all seven variables are greater than any inter factor correlation (Social empowerment 0.977, negative attitude of eco-friendly tourism 0.958, positive attitude of eco-friendly tourism 0.824, political empowerment 0.905 and economic benefit 0.834). Composite reliability (CR) measure for all seven variables are above 0.7 which shows great internal consistency.

Based upon these tests of convergent, discriminant, and composite validity, the construct validity of the scales within the model is confirmed, allowing the analysis of the relationships to continue at the structural level.

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	CR	AVE	So cia l em po we r	Neg ativ e imp act	Pos itiv e imp act	Psych ologic al empo wer	Com munit y suppo rt	Polit ical empo wer	Econ omic Bene fits
Social empower	0.985	0.956	0.977						
Negative impact	0.990	0.918	0.462	0.958					
Positive impact	0.979	0.869	0.523	-0.463	0.932				
Psychological empower	0.985	0.927	0.660	0.273	-0.462	0.963			
Community support	0.894	0.679	0.455	0.488	-0.248	0.536	0.824		
Political empower	0.931	0.819	0.559	0.624	-0.714	0.477	0.395	0.905	
Economic benefits	0.863	0.695	- 0.297	-0.201	0.498	-0.290	-0.198	-0.288	0.834

Table 6: Construct Validity of the Scales

### **Discussion on Findings**

The CFA performed on this Sri Lankan sample demonstrated that the factors of psychological, social, and political empowerment were construct-valid and shared the same psychometric properties. The AVE for each dimension of the Empowerment were above the 50% criteria recommended by Hair et al. (2010). These three measures of convergent validity all come together to suggest that there is a strong convergent validity within the sample. Further testing discriminant validity, the Square root of AVE for all seven variables are greater than any inter factor correlation (Social empowerment 0.977, negative attitude of eco-friendly tourism 0.958, positive attitude of eco-friendly tourism 0.932, psychological empowerment 0.963, residents' support for eco-friendly tourism 0.824, political empowerment 0.905 and economic benefit 0.834) hence confirm the discriminant validity.As Explained by Nunkoo and Ramkissoon, (2012), the empowerment scales better represents the Foucauldian perspective of power where power is omnipresent and manifests itself within all aspects of the social relationships among the tourism actors. Social, political and psychological empowerment can be then measured using this scale which is also in par with Boely et al, (2014) RETS scale.

### Conclusion

With the empirical measurement of resident empowerment in its infancy, academics have yet to examine what successful empowerment of the local people looks like across cultures where empowerment norms may be different. Hence it is important to test cross-cultural validity of scales before conducting hypothesis testing using these new scales. Mainly the empowerment in tourism studies are still developing, and mainly these scales are tested in Western samples. The EFA results of Sri Lankan sample appear supportive of using the identified empowerment scales to further use in modeling community support in eco-resort development. Now these scales

of empowerment can be used to evaluate the effectiveness of managers' initiatives directed at empowering residents in local eco-resorts. The scales of psychological, social, and political empowerment can be used to assess how residents perceive various marketing messages, town hall meetings aimed at political empowerment, or how tourism infrastructure designed to be used by residents and tourists alike actually affects the community's cohesion over time. By being able to track perceptions of empowerment, managers may be able to find out which initiatives are being successful at empowering residents and which ones are not, and make the needed changes. Measuring and tracking perceptions of empowerment over time will give managers a good gauge of how the community is being affected by tourism development, which has implications of not only increasing support for the local tourism industry, but also enhancing the community's general well-being and quality of life. This can also be used as an effective indicator of how sustainable a destination's tourism industry is. For example, if residents begin to perceive themselves as being psychologically, socially, or politically disempowered by tourism development, through periodic assessment, should be able to identify this important change and alert those involved in tourism that a change is needed.

There are a few limitations of this study. The first limitation relates to the analysis method. Exploratory Factor Analysis (EFA) is an advantageous statistical method used to examine the construct validity and psychometric properties of an instrument. However, because EFA is not a sufficient tool to test the theoretical foundations of the instrument, a Confirmatory Factor Analysis (CFA) with hypothesis should be conducted to further the knowledge in this area. The second limitation of this study is an essential sampling bias. The samples in this study were collected from a single community who are living around Heritance Kandalama. This sampling process might threaten the ability to generalize the results of this study, although various samples were included from different areas and different hotel types. Another potential limitation is associated with political empowerment scales used within the study. While the scales had strong precedence with past resident attitude research, the factor loading is low and therefore need further empirical studies to support the scale for political empowerment.

Future studies can definitely examine the relationships of these empowerment constructs with community attitude and their support for sustainable development. And also, further testing of the scales and its influence on resident attitudes toward tourism is needed across various settings and environments. This can also be tested in other types of tourism as well. Finally, the use of qualitative interviews could perhaps capture a deeper level of how tourism influences resident perceptions of psychological, social, and political empowerment. Managers could then use the findings to help foster these types of empowerment through marketing and management initiatives.

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# IMPACT OF CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES ON REVISIT INTENTION OF LOCAL GUESTS IN THE SRI LANKAN HOTEL INDUSTRY

### Jayasinghe J.A.S.C and Lakmali A.D.S

# Abstract

Despite the rapidly growing Customer Relationship Management (CRM) literature, the application of CRM practices and their effect on customer revisit hotels remain equivocal in the Sri Lankan context. Therefore, in this research, the authors first examined what CRM practices are being widely used by Sri Lankan Hotels. Then, the authors investigated the functional relationship between CRM practices and intention to revisit. This was a quantitative study based on a questionnaire survey done by selecting a convenience sample. Results indicate that the selected sample of travelers are always searching for new experiences, therefore, the identified CRM practices only have shown a moderate relationship with customer revisit. The main findings imply that domestic leisure travelers are of a variety seeking nature and they look for different experiences and entertainments. So they prefer a new place for the next visit.

Keywords- Customer Relationship Management (CRM), Domestic Leisure Travelers, Customer Revisits, Variety Seeking Guests

### Introduction

It is a widespread and well-known fact that loyal customers help business organizations to earn much profit. Creating and maintaining loyal customers are two important aspects of customer relationship management. According to Dowling (2002), obtaining loyal customers through establishing a suitable relationship with customers is more profitable and it is the cornerstone of which the Customer Relationship Management CRM is based.

CRM is used in business organizations to keep, acquire and retain selective customers and partnering with them. The purpose of adopting these concepts is to have a superior value for both the organization and customer (Parvatiyar & Sheth, 2001). This CRM seems to be a management approach. Its focus is to manage relationships with customers. To do this, organizations should be able to identify, attract and increase retention of profitable customers (Hobby, 1999).

What we can understand through these different viewpoints is that by applying CRM, companies are generating a flow of profit. They have given full attention to acquiring and retaining profitable customers. It is well expressed by Buttle (2001). He is emphasizing to have mutually beneficial relationships with strategically important customers and is proposing to develop and maintain long-term relationships. These activities help organizations to survive comfortably in

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future. According to Parvatiyar and Sheth (2001), relationship marketing and CRM are often used interchangeably in academic community.

Ryals and Payne (2001) improves this idea and describe it as information-enabled relationship marketing, His idea is based on the fact that CRM is always based on technological solutions. The application of CRM is involved in establishing excellent information systems based on customer oriented relationship building with different processes and employees of the company. Neglecting the customer and focusing only on the information technology will pave the way to unsuccessful achievements of marketing targets. To get a consistent flow of profits from a set of customers while increasing the number of customers is dependent on maintaining a good relationship with them. As a result of satisfying customers, hotels make current customers to talk positively about them to other potential customers. Hospitality and Hotel Sector

Sri Lanka is very much concerned about its development in the hospitality industry. The hotel sector is developing rapidly, whatever the political changes taking place. The training of human resources is done by rapidly increasing hotel schools in the country and sometimes foreign institutes. Business development is more essential in this sector to be in par with the physical and employee capacity. Therefore, CRM is playing a vital role in creating and keeping customer bases for the hotel industry.

According to the Sri Lanka Tourism Development Authority, tourism in Sri Lanka has surged to a new level of over 2 million arrivals in 2016, which is an increase of 14 per cent over the previous year. In 2016, 1,798,380 arrivals indirectly indicate that simultaneous increase in hotel capacities too. The annual statistical report (2016) of the Sri Lanka Tourism Development Authority indicates that the room capacity in tourist hotels (classified/unclassified and Boutique hotels) increased by 2960 rooms from 19,376 in 2015 to 22,336 in 2016.

### **Problem Identification**

There are a number of papers written on CRM so far, presenting many definitions, evaluations and applications. But most of them seem to be practitioner oriented. Managers select different methods of them depending on their ability and knowledge, and apply them without much concern on whether guests like them or not. Sometimes they seem to be troubling or harassing guests. Getting and asking some information may be annoying to guests. There are many CRM practices that can be used by any hotel. The present research investigates what practices are widely used and already noticed by Sri Lankan guests. In other words, from the point of view of guests, in daily transactions and relationships, what different types of CRM practices are widely observed and how they are acceptable to the guests. CRM has been realized in different mean-

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ings by different people. So its practices have different approaches in Sri Lankan hospitality sector. If you do not understand what CRM is, how can you use it? To understand this confusion we can search how this is practiced in the country. Through analysis of customers' views and their experiences in dealing with hotels' efforts, we will be able to conclude what is sought after and what is to be done.

# The Empirical Gap

To investigate what CRM practices are widely available in hotels in Sri Lanka and what type of issues are confronted by the management in hotels, a preliminary exploratory study was conducted. The observations and interviews were done with some of the hoteliers revealing that even though they apply many new CRM techniques, customers don't seem to be revisiting. Even though there are many CRM practices available, the hotels where the preliminary observations were carried out revealed that customization of offers, enhancing the knowledge of customers, always getting the customer feedback, keeping and managing personal databases, improving hospitality in hotels, getting customer involvements wherever possible and maintaining customer care were more important factors for Sri Lankan hotels.

The above discussion led to the question of what different types of Customer Relationship Management Practices can be utilized effectively in order to encourage guests to revisit hotels in Sri Lanka

# **Research Objectives**

The preliminary study with the hoteliers revealed some of the issues and factors important from the perspective of hotel management. However, it was decided to investigate these issues and factors from the point of view of customers. Therefore, the following objectives were focused in this studyTo investigate what are the CRM practices widely used by Sri Lankan Hotels based on experience of guests

To measure the functional relationship between CRM practices and intention to revisit the same hotel.

### **Customer Relationship Management**

Customer Relationship Management (CRM) is defined as a "strategic approach that enables organizations to use internal resources (technology, people, process) to manage the relationship with customers for the whole of their life cycle in order to create a competitive advantage and improve an organization performance" (Mohammed & Rashid, 2012). Many organizations

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currently tend to identify CRM as a marketing application but actually CRM is not merely an application for marketing, sales and services, but rather, when fully and successfully implemented, a cross–functional, customer driven, technology-integrated business process management strategy that maximizes relationship and encompasses the entire organization (Chen & Popovich, 2003). Since CRM is a customer driven system, organizations can clearly identify different customers through this CRM system because with globalization, the role of customers has changed from that of mere customer to a multi-faceted role as customers, cooperators, cocreators of value and co-creators of knowledge and competencies (Wang & Yang, 2004). When customers play these kinds of different roles in market firms which target these customers, they also have to develop different mechanisms to satisfy them. That is why many companies create their marketing activities to build a variety of relationships with customers such as customer acquisition and customer retention (Luck & Lancaster, 2003), because ultimately these relationships provide a roadmap to expand business and get a higher market share (Kandampully & Suhartanto, 2000).

# **Customer Relationship Management in Hotel Industry**

Many marketers identified customers as the heart of their businesses. They believe that they need to satisfy customers in order to achieve all of their business objectives. With the rising need for treating customers well, CRM systems were initiated. CRM is not limited to a particular industry, it is applicable for all the industries. Among these different industries, the service sector is very important because it is not like the product sector. Satisfying service customers is somewhat difficult as there is a high possibility for service disturbances to occur. Avoiding those disturbances through service quality is really a challenge (Azmian, Nasrinahr & Foroughi, 2012). With reference to the above literature, it is further found that CRM will be ideally suited to the hotel industry due to growing acquisition cost, rising customer expectations, price sensitivity, uncertain market and less brand loyalty (Mohammed & Rashid, 2012). Therefore, in the process of implementing better CRM practices in hotel industry employees such as front office staff, managers play a major role. Their behavior highly affects the customer satisfaction. Therefore, they must improve personal qualities like empathy and responsiveness in order to develop better relationships with customers (Azmain et al., 2012). Hoteliers considered guest as the most important asset in the hotel industry and it was further found that customer satisfaction in hotel industry measures how products or services supplied by a hotel meet or surpass a customer's expectation (Kumarapeli, Samarasinghe & Kuruppu, 2016). As stated earlier, hoteliers want to create a repeated customer base for them. Some researches argue that performance of reception, food and beverage, the housekeeping department and price affect repeat purchases (Kandampully & Suhartanto, 2000), and further it was stated that among the above

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mentioned factors, housekeeping is the only significant factor that determine customer loyalty since the customer identifies housekeeping as a core benefit of the hotel. And another recent research found that CRM practices undertaken at the encounter stages are most effective for repeat visitation and they further found that many participants were less interested in engaging in long term relationships with same hotels. They wish to feel different experiences at another accommodation so that CRM becomes an effective word of mouth tool for particular customers (Udunuwara, Sanders & Wilkins, 2016). Some argued that even though hotels have their own aspirations and agendas, CRM decisions were concerned as influencing guest demand and revenue generation (Luck & Lancaster, 2003).

### Web based CRM

As mentioned above, literature on CRM confirms that the main objective of CRM is to develop better relationship with customers. In this process the role of Internet is vital. Development in Internet brought new meaning to customer relationship (Chen & Popovich, 2003). Web is on the top of Internet and web applications support companies to transcend communication barriers and establish better relationships with customer (Gilbert & Perry, 2001). Especially in the hotel industry, they need to maintain satisfied customer bases without considering numbers at the first instance (Gilbert & Perry, 2001). Further, they mentioned that in the process of developing better relationship with customers, the web offers cost effective ways. According to Luck and Lancaster (2003), hotels can get competitive advantages through their websites. As many hoteliers identify the importance of e-CRM, they create virtual tours on their websites which may support to provide a virtual experience for prospective customers.

### **CRM in Sri Lankan Hotel Industry**

After the period of war, there is a significant increase in tourism in Sri Lanka (Srilal, Chandana & Dileep, 2013). The Sri Lankan Government, along with Sri Lanka Tourism Development Authority, position Sri Lanka as Asia's most treasured and greenest island (http://www.sltda.lk). With reference to this positioning statement, Sri Lankan tourism has to enhance their positive practices. As explained earlier, hotels live in the top of the hospitality industry because they provide accommodation for tourists. According to Srilal et al. (2013), it was found that Sri Lankan hotels need to develop their hotel facilities, especially rooms and related infrastructure, in a very short period. And further, they have mentioned in terms of sustainability practices Sri Lankan hotel industry is on the correct path by making hotels more customer focused and environmentally friendly. Literature in previous sections suggests that CRM is very important to hotel industry. Some of the related research on CRM and hotel industry in Sri Lanka found that CRM

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practices have direct positive relationships with customer brand engagement in the Sri Lankan hotel sector (Kumapelia, Samarasingha & Kuruppu, 2016). Further, they have mentioned that without considering the size of the hotels, all hotels try to focus on CRM dimension with target on brand engagement activities. Besides these researches, a few researches that were conducted for analyzing the situation of hotel industry and CRM in developing countries and Asian countries, considered Sri Lanka as their sample. A research conducted by Dev, Zhou, Brown and Agarwal, (2009) considered Sri Lanka as non-OECD (Organization for Economic Corporation and Development) and they found that when firms enter in to a developing or OECD country, they can achieve a competitive advantage through establishing competitor orientation than customer orientation because in such kinds of market they can improve their organizational performance by learning how their key competitors operate. Another research done by Sambhantha & Good (2013) found that Sri Lanka as a developing country needs to focus on assessing interacting, trust, value and information aspects when creating a new model for hotel web strategy. And further, they have discussed about the most questionable area, that is, how this CRM system affects the job of customer service staff. They found that customer service staff resists change with this automated CRM system based on fear of losing their jobs.

### **Customer Revisit**

As mentioned above, many hotels have undertaken different CRM practices in order to create a loyal customer base. Success of those different practices may depend on how customers perceive those practices, whether those make any sense on them or not. According to the Kandampully and Suhartan (2000), customer loyalty, revisit and recommendations depend on their satisfaction with food and beverage, reception, housekeeping related CRM practices. Ramanathan and Ramanathan (2011) also found that value for money as the most critical attribute since many guests expect good service for the price. Other than price, customer service and family friendliness also affect guests to determine their intention to stay in the hotel (Ramanathan & Ramanathan, 2011). Further, they found that good cleanliness will help in facilitating the return of guests. Another CRM practice is many hotels organize different surprises for their guests. It is also found that those practices become part of guests' emotional delight and motivate their revisit (Edwin & Sheryl, 2003).

The overall purpose of this study is to examine the influence of CRM practices to revisit and what the widely available CRM practices are in the Sri Lankan hotel industry. To this end, the following conceptual model has been developed.

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### **Development of Hypotheses**

In order to generate customer centric value, the entire organizational structure must be flexible. If necessary, the organization needs to reconstruct their organizational structure in order to support CRM initiatives (Yim et al., 2004). In other words, it means, CRM projects require full-time attention of a project implementation team with representatives from sales, marketing, manufacturing, customer services and informational technology (Chen & Popovich, 2003). Further, organizational culture (Mohammed & Rashid, 2012) also has to be integrated with other elements in order to practice firm-wide CRM.

As clearly mentioned by Kandampully and Suhartan (2000), customer loyalty, revisit and recommendations depend on their satisfaction with food and beverage, reception, housekeeping related CRM practices. This implies that when the hotel does the arrangements through CRM to suit the customer, it impacts on customer revisit. To examine this relationship, first some hypotheses were developed.

H1: Customization is positively related to revisit

Managing knowledge in CRM is strongly related to knowledge management systems. One of the main objectives of CRM activities is to develop a better customer information base. Successful CRM systems effectively transform customer information into customer knowledge (Yim et al., 2004). When customers are aware of all facilities and other entertainments in the hotel match with their desires they tend to revisit. So the second hypothesis developed was;

### H2: Enhancing Knowledge is positively related to revisit

Not only customer orientation satisfies highly specific customer requirements, but also anticipates changing requirements to adjust its approach in the future. (Dev, Zhou, Brown & Agarwal, 2009). When customer orientation is in practice, hotels tend to get feedback from customers and adjust their day today activities accordingly. So we can develop the third hypothesis as;

### H3: Customer feedback is positively related to revisit

Yim et al. (2004) further mentioned that gathering valuable and real time information through interactions or touch points are very important and sharing that information within the organization lead to address current and anticipated customer needs. Especially, knowledge management dimension is most critical for the hotel industry since success in CRM heavily depends on collecting, analyzing and maintaining better customer knowledge (Mohammed & Rashid, 2012). Kandampully and Suhartan (2000) further found that, as a separate and the most important fac-

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tor, the price affects their revisit decisions. To fix the price to match the customer's budget, the hotel must maintain a good database management system. Accordingly, the fourth hypothesis has been developed as;

### H4: Personal database management positively related to revisit

Ramanathan & Ramanathan, (2011) has emphasized that other than price, customer service and family friendliness also affect the stay in the hotel. This means even though the price has a major role, hospitality practices shape the customers to make positive decisions to revisit the same hotel.

Another CRM practice is that many hotels organize different surprises for their guests. It is also found that organizing different surprises for guests attached customers tightly with hotel management. Those practices become part of guests' emotional delight and motivate their revisit (Edwin & Sheryl, 2003).

As suggested by King (1995), hospitality is making the visitor "feel at home". Hanks (1989) has mentioned that hospitality is "kindness in welcoming strangers or guests" Therefore, it was hypothesized that;

# H5: Hospitality practices of hotel positively affect customer revisit

In addition to the above mentioned facts, customers are allowed to give suggestions, share their preferences, provide feedback and get involved in the decision-making process to co-create and deliver the service by hoteliers where they expect to satisfy customers through involvement (Sengupta & Pillai, 2017). Based on this fact, the sixth hypothesis has been developed.

#### H6: Customer involvement positively related to revisit

The Main purpose of customer orientation is to increase long lasting satisfaction and loyalty of customers (Mohammed & Rashid, 2012). They also stated that customer orientation is most important for hotel industry since it helps to better understand the customer requirements. The ultimate goal of customer orientation is to become an indispensable organization for its profitable customers (Yim et al., 2004). Hanks (1989) has defined customer care as "the work of looking after customers and ensuring their satisfaction with one's business and its goods or services" These findings imply that caring customers will lead to revisit. Thus, the following hypothesis was developed.

#### H7: Customer care is positively related to revisit

Based on the above mentioned hypotheses following conceptual model can be developed.

 Customization

 Enhancing knowledge

 Customer feedback

 Personnel data base management

 Hospitality

 Customer involvements

 Customer care

Figure 1: Conceptual Model

Source: Developed by authors

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## **Research design - Sample and Method**

This is a quantitative study and data for the study was collected by a survey. The sample method was convenience sampling and the size of the sample was 50 domestic leisure travelers. Predictor variables of this study were enhancing consumer knowledge, customer feedback, customer involvement, customer care, hospitality, customization and personnel data management. The outcome variable was the customer revisit behavior. To measure the enhanced consumer knowledge, three variables were considered. It includes, "Hotels send frequent messages after you visit"; "Hotels make awareness about their new offers" and "Once visited, hotels inform new packages to you". Customer feedback was measured by "Hotels ask your feedback about the visit". To measure customer involvement, another two variables were considered, i.e., "Shows interest in your ideas"; and "Hotels encourage your participation to their decisions". And to measure customer care, four variables were used; "Hotels reply quickly to any inquiry you make", "Hotels acknowledge any communication you make", "Hotels greet you warmly always", and "Hotels encourage you to communicate with them". Hospitality is measured by using three variables; "Staff of hotels tries to satisfy you", "Staff of hotels is very much concerned about you", and "Hotels try to be the second home to you". And to measure customization, "Make their offer in the most suitable way you like" and "Hotels customize their offers to frequent visitors" were used. Finally, to measure the last predictor variable, personnel data management, two variables were considered; i.e., "Hotels encourage you to bring other visitors too", and "Hotels use you to pass messages to others".

As the measurement tool, a questionnaire was developed by the present researchers. The variables were measured on a five-point Likert scale, where "1" denoted "strongly disagree" and "5" denoted "strongly agree".

In order to analyze the data collected, descriptive statistics, correlation analysis and multiple regression analysis were used in this study. Data were analyzed using SPSS 16.

## Source: Developed by authors

Results and Findings of Demographic Data Analysis Table 01- Demographic data analysis

Statement	Frequency	Percentage
Gender		
Male	25	50
Female	25	50

Statement	Frequency	Percentage
Nationality		100
<b>Marital Status</b> Single Married	32 18	64 36
House hold With family With spouse only With other members	42 05 03	84 10 06
Age 20 and less than 25 25 and less than 30 30 and less than 35 35 and less than 40 45 and less than 50 50 and less than 55	09 22 11 05 02 01	18 44 22 10 04 02
Employment Employed Self-employed Business Unemployed Student	39 04 02 01 04	78 08 04 02 08
<b>Educational qualification</b> Primary O/L A/L Professional qualification Degree Postgraduate level	01 01 08 12 22 06	02 02 16 24 44 12
Income less than 25000 25000 and less than 50000 50000 and less than 75000 75000 and less than 100000 100000 and less than 125000 125000 and less than 150000 150000 and less than 175000 175000 and less than 200000	06 21 07 09 03 02 01 01	12 42 14 18 06 04 02 02
<b>Expenditure</b> less than 25000 25000 and less than 50000 50000 and less than 75000 75000 and less than 100000 100000 and less than 125000	24 12 05 05 04	48 24 10 10 08

Source: Survey data (2017)

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Demographic factors of the sample were analyzed in terms of age, gender, nationality, marital status, household, educational level, employment, income and expenses. The analysis indicates that most of the respondents belonged to the age group category of 25-30. That is 44% of the total percentage. Gender results showed that equal distribution of the questionnaire indicating 50% for each. The analysis indicated that most of the sample respondents live with their families. That is 84% in total percentage. It was also found that 39 of the sample respondents were employed, as a percentage it is 78%. The analysis indicated that most of the employees belonged to degree qualified category. As a percentage that is 44% followed by 24% belonging to professional qualification category. In terms of income, 42% of sample belonged to Rs.25000 and less than Rs. 50000 category whereas it was indicated less than Rs.25000 expenditure for 48% of total sample

#### CRM practices available in Sri Lankan Hotels

The first objective of the research was to find out what CRM practices are widely available in Sri Lankan hotels. As found in the preliminary research, we checked the same practices with some other practices of CRM. The data of Table 2 reveals the widely available CRM practices in Sri Lankan hotels. Accordingly, descriptive statistics have been applied to analyze the findings. Results are given in Table 2.

Descriptive Statist					
	N	Minimum	Maximum	Mean	Std. Deviatio
Enhance knowledge	50	1.67	5.00	3.3067	89301
Customer feedback	50	3.00	55.00	4.0400	69869
Customer involvement	50	1.50	54.50	2.9700	88300
Customer care	50	2.25	54.50	3.5950	48416
Hospitality	50	1.75	54.75	3.5200	66593
Customization	50	2.00	54.50	3.3100	74840

Table 2 - Availability of CRM Practices in Sri Lankan Hotels

Source: Survey data (2017)

Table 2 summarizes the data about the availability of different CRM practices in the hotel sector in relation to local travel and leisure business. According to this table, all the considered factors seem to be available moderately in the hotel sector. Customers have experienced them and the mean value of each seems to be 3. This table also proves that some factors like enhancing knowledge and customer feedback are highly rated. But standard deviation and range shows that customers perceive differently.

#### **Reliability of Measurement**

The internal validity of the measurements was tested through Cronbach's Alpha. The values obtained are given in Table 2. This table shows that all alpha values are close to or greater than the accepted minimum level of 0.7.

Variable	Cronbach's Alpha	
Enhance consumer knowledge	0.714	
Personal data management	0.751	
Hospitality	0.721	
Consumer involvement	0.753	
Customer care	0.703	
Customization	0.697	
Customer feedback	0.574	
Customer revisit	0.783	

Table 3 - Cronbach's Alpha

Source- Survey data (2017)

According to the reliability analysis, all variables show a high internal consistency except the variable customer feedback which has a Cronbach's Alpha of 0.574. However, as the figure is more than 0.57, it can be concluded as being reliable. Therefore, it can be reasonably established that there is internal consistency among the items used in the study.

#### Validity

To ensure the content validity and construct validity a rigorous literature review was conducted.

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#### **Correlation between CRM Practices and Revisit**

#### Table 4- Pearson correlations between each dimension and revisit

Dimension	Correlation Coefficient	
Enhance Customer Knowledge	038	
Customer Feedback	100	
Customization	010	
Personnel Data Management	441	
Customer Care	221	
Hospitality	080	
Customer Involvement		
N=50, *** ≤ 0.01 (2-tailed)		

#### Source: Survey data (2017)

According to the correlation analysis, there is a positive relationship between five predictor variables and outcome variable and negative relationship between two predictor variables and outcome variable. Accordingly, enhance customer knowledge, customer feedback, customization, customer care and hospitality have positive associations with customer revisit while personnel data management and customer involvement have negative association with customer revisit. However, customer care and hospitality seems to be having a somewhat strong relationship. But enhancements of customer knowledge, customer feedback and customization have shown almost no correlation.

To determine the combined effect of the predictor variables on the outcome variable, a multiple regression model was used and the model summary is provided in Table 5.

Table 5- Goodness of Fit	
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Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	505a	255	131	57286

The multiple correlation (i.e. R) for this study is 0.505 and this result represents the joint association between individual factors and customer revisit. Coefficient of determination is 0.255. This indicates that 25.5% of the customer revisit has been covered by the regression model.

Model	Unstandardized	Coefficients	Standardized Coefficients	t	Sig
	В	Std. Error	Beta		
(Constant)	5.168	869		5.945	000
Enhance knowledge	051	007	075	451	654
Customer feedback	007	130	075	051	960
Customization	057	133	075	430	670
Personnel Data					
Management	236	160	075	1.479	147
Customer care	20	192	075	2.709	010
Hospitality	190	192	206	1.129	001
Customer involvement	073	130	106	564	576

# Table 6 – Regression ResultsCoefficientsa

# Source: Survey data (2017)

According to the individual coefficients table, enhance knowledge, customer feedback, customization and customer involvement are individually insignificant as the P values are .654, .960, 0.670 and .576 respectively. They do not have an individual effect but it influences jointly with the other factors. However, hospitality, customer personnel data management and customer care are minimally significant. Among them, customer involvement and Personnel Data Management (PDM) have negative relationships with customer revisit. According to the coefficient table, customer care shows substantial positive relationship with customer revisit. Further, hospitality shows some relationship with customer revisit.

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# **Findings and Discussion**

This study aimed to measure the functional relationship between CRM practices and intention to revisit the same hotel. Further, this research investigated what CRM practices are widely used by Sri Lankan hotels. As the main CRM practices available in Sri Lanka, it has identified few practices such as, use of different communications to enhance consumer knowledge, sending continuous messages, getting customer feedback at the end of their visit, getting customer involvement for different decisions, customer care, hospitality, customization and personnel data management. The ultimate objective of this research is to identify the relationship between these CRM practices and customer revisits to the hotels. Administering a survey questionnaire, data were gathered from 50 respondents who are frequent leisure travelers to test the hypotheses. The results achieved from correlation analysis and multiple regression analysis showed a moderate fit. According to the statistical analysis, enhance customer knowledge, customer feedback, customization, customer care and hospitality have positive associations with customer revisits whereas personnel data management and customer involvement have negative associations with customer revisits. To determine independent variables' effect on dependent variables, a multiple regression model has been applied and that was supported with five hypotheses among the developed seven.

The results supported H1 indicating a positive relationship that exists between customization and customer revisit, suggesting that customization of offers has an effect on Sri Lankan leisure travelers revisit decision but it is not a strong effect. H2 that was developed to test whether the enhance customer knowledge has positive effects on consumers revisit behavior. Results indicated that enhance customer knowledge has positive effects on consumers' revisit behavior which confirmed that hotels can get more customers if they give better insight into them. The results were same for customer feedback, which accepted the H3 developed to investigate whether customer feedback has the positive effect on customer revisit behavior. H5 is developed to understand whether there is a positive relationship between customer care and customer revisit. Among five accepted hypotheses, this has the strong relationship with customer revisit. It means when hotels give higher priority to customer care, that affects customers to decide to revisit. The H6 developed to test the relationship between hospitality and customer revisit has been accepted by the results. That means when the hotel greets customers well and practice other relevant hospitality practices, customer intention to revisit will increase. The individual impacts of personnel data management and customer involvement on customer revisit behavior have been found to be insignificant by current research. Those results rejected the H4 and H7 which developed to check whether there is a positive effect of personal data management and Customer involvement on consumers' hotel revisit behavior. When the sample profile is exam-

ined carefully, it is clear that it consists of leisure travelers. They need different experiences rather than enjoying the same environment. Therefore, it can be concluded that some of the factors of CRM are not effective in motivating guests to revisit. The only possible expectation would be the positive word of mouth which encourages the known persons by present visitors.

The results suggest that when respondents are variety seeking, even though the hotel keeps customers' personal information and gives value to their ideas, they are not willing to visit the same hotel again because they want a new experience. This finding is similar to the findings presented by Udunuwara, Sanders & Wilkins (2016) as they found many participants were less interested in engaging in long term relationships with the same hotels but they wish to feel different experiences at another accommodation.

The research implies that Sri Lankan domestic travellers who visit hotels have a variety of reasons to go for hotels. Mainly, they need different experiences. Other than that, going for get-togethers, going for regular immediate meetings they use same hotels nearby. So practitioners of CRM must understand these differences when they select a CRM technique. Otherwise it will be a waste of resources.

#### **Managerial Implications**

There are several important implications on the results obtained from the current study. First, this research investigated the functional relationship between those CRM practices and customers' intention to revisit the hotel. Secondly, it identified the available CRM practices in Sri Lankan hotels. The findings of this study have provided valuable knowledge concerning various factors that influence customer revisit behavior for hotels. Based on the analysis, one of the most important findings is that among other practices, caring about customers motivate them to revisit. This indicates that customers feel more familiar with the hotel when the hotel care more about themselves. Therefore, hotels must try to increase customer care which in turn gives them a chance to win more customers. According to the finding, other than customer care, enhance customer knowledge, customer feedback, customization and hospitality are also having positive relationship with customer revisit behavior. This indicates that customers would like to expand their knowledge regarding new offerings of the hotels. They believe their feedback will be used by hotels to improve customize services.

Personnel data management and customer involvement were found to have a weak relationship with customer revisit. This result indicates that even though the hotel maintains a proper customer database and involve them in decisions, they would not prefer to revisit the hotel. The

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overall results indicated that a selected sample who are especially leisure travelers most prefer to have different experiences. Therefore, even if hotels maintain many CRM practices, they won't have an intention to come to the same hotel as they are simply variety seekers. Hoteliers should be concerned about this customer behavior and they must plan better experiences which the customer can retain in their memory for a long time.

Hotels can change their offers from time to time in order to give customers a novel experience if they come again. Hotels can extend their services as hotel chains to keep customers in a variety of places to give them different feelings.

Based on the overall understanding, the variety seeking customers like different experiences, therefore, they do not like to visit the same hotel again and again to get the same experience. But customers who are looking for a nearby hotel as a conference venue, to have sudden parties or get-togethers, dine outs, may come again depending on CRM practices which will assure the required service level.

# **Limitations and Direction for Future Research**

This research suffers from a few limitations, which provide a path forward for future research. First the sample of this study is people who are leisure travelers. Since the objective of this research is to identify the available CRM practices used by Sri Lankan hotels and how those practices affect customer revisit behavior, we need to get insight from all the travelers and not only leisure travelers. Therefore, future researchers have to consider about business and other travelers also. Second, the present study has been performed by taking into consideration some of the CRM applications practiced by Sri Lankan hotels but according to the findings only a few number of factors have a positive relationship with customer revisit behavior. The level of relationship between those practices and customer revisit behavior are also not that much strong. Therefore, future researches need to find out some other CRM practices which support the creation of more positive effects on customer revisit behavior.

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# **Author's Guide**

# Who should contribute?

An open invitation to submit papers is made via the NSBM web-site as well as communications addressed to Deans of Faculties of Management Studies in state and private sector universities in Sri Lanka. In addition, scholars of repute are invited to contribute. Contributions from intellectuals from industry are also welcome.

# Contributions

These can take the form research articles, case studies, research notes or book reviews. Research articles: They constitute both conceptual and empirical papers. They will be of a positivistic or non-positivistic nature. The word limit is between 6,000 to 9,000 words. Each article is required to be accompanied by an abstract of 200 to 250 words and up to five key words, organized in the alphabetical order. All articles submitted will undergo a double blind review process after being cleared by the Editorial Board.

Case studies: They will necessarily be of an empirical nature and may include organization based research/ projects. The conditions stipulated for research articles will apply here as well. Research notes: This is a shorter version of a research article with a narrower scope which does not fall into the above categories. A research note will consist of 3,000 to 6,000 words. Other requirements stipulated above will apply.

Book reviews: These are critical reviews of recently published HR/ Management related books with particular relevance to South Asian countries. The word limit is between 1,000 to 2,000 words. On being cleared by the Editorial Board submissions will not be subject to double blind review process.

## **Submissions requirements**

Each submission must be in English language type-set using MS Word (font size 12 with 1.5 spacing). They must contain the title of the paper, name(s) of the author(s), abstract and key 2 words. The text of a research article will in general contain the introduction, research questions, review of literature, methodology, data analysis, findings and conclusions followed by a list of references and annexes.

The soft-copy (in MS Word) should be submitted to the Editor, NSBM Journal of Management. In addition, a hard copy (printout) is also required submitted. Each submission must accompany a statement of originality in the covering letter addressed to the Editor. In case there are multiple authors, the principal author can submit the statement of originality.

Submissions should be original contributions and should not have been submitted to any other conference or publication previously or at present. By submitting an article, the author transfers copyright to the journal. A contributor is, however, at liberty to publish his/ her article/ paper in a work of which he/ she is the author/ editor or joint author/ editor. Authors are required to sign a copyright agreement if the article is accepted. They are fully responsible for obtaining permission and clearing any copyrights issues relating to the content of their submissions.

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Each submission will be initially cleared by the Editorial Board and thereafter undergo a double blind review process. The comments and suggestions received will be sent to the authors with requests for minor/ major revisions before the paper is accepted for publication. A paper may even be rejected based on the reviewer comments which will be duly informed to the contributor. Further, the editorial board or the reviewers may sometimes request access to data and workings during the review process and the relevant authors must be willing to supply these when requested for.

# **Referencing and numbering of Figures and Tables**

Referencing is required to be done according to the Harvard style and a guide will be made available on request.

Figures shall be numbered consecutively using Arabic numerals. They will be labeled below the figure (e.g. Figure 1, Figure 2). Borders are not required to be included for Figures unless essential. Further, Figures must be produced in black/ white images embedded in the text.

Tables shall be numbered consecutively using Arabic numerals and labeled above the Table (e.g. Table 1, Table 2). Only horizontal lines shall be used to distinguish the content within a Table. It is advised to keep one blank line above and below each table/ figure to separate them from the text. The title of the Figure/ Table must be in one line. Capitalize each word in the Figure/ Table label except propositions and conjunctions. Figure/ table titles must be in Times New Roman 12 pt and centre aligned.



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