

IMPACT OF OPERATIONAL LEVEL EMPLOYEES' HAPPINESS ON PERFORMANCE OF HOTEL INDUSTRY IN SRI LANKA

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ABSTRACT

The purpose of this study is to identify the impact of operational level employees' happiness on organizational performance based on the hotel industry in Sri Lanka. Basically, employee behavior is very critical for an organization. While employees are happy about their job it encourages them to get motivated and perform their job well. As a result, organization can gain performance-oriented results towards them. Happiness is measured by five attributes; job inspiration, organizations shared value, relationships, quality of work life and leadership. In addition, this research identified the employee happiness based on gender, age, marital status, education and years of service. Organizational performance is assessed based on the employee attitudes. Survey method used to collect data through a standard questionnaire. One of Sri Lankan largest hotel chain was selected through the convenient sampling and sample of this research was 350 operational level employees which selected through the random sampling. Pearson correlation, multiple regression analysis used to identify the relationship between independent and dependent variables. Statistical software called SPSS used to analyze the data.

Keywords: *Happiness, Hotel Industry, Operational employees, Performance*

1 INTRODUCTION

1.1 Background of the Study

Happiness is a positive psychological aspect of human behavior. Positive psychology starts from 20th century and it help to people to embrace and enjoy their life as they wish. Positive psychology helps individuals to find genuine happiness in their everyday lives and not waste their lives dreaming of something they never seem to achieve. Healthier and happier employees are more productive and accomplish goals easily and provide better goods and

services to the customers. Hence, happier employees are valuable asset to the organization (Gavin & Mason, 2004). The purpose of this research is to find out the relationship between operational level employees happiness on organizational performance in hotel industry by taking operational level employees happiness as independent variable and organizational performance as dependent variable. To conduct the research, the selected operational definition is “happiness at the workplace means a situation at the workplace when personnel are happy working and no feeling like it is work, are efficient and achieve targeted goals both personnel and organizational levels” (Chaiprasit & Santidhiraku, 2011, p.191). And this research aims to find out factors affecting to employees’ happiness through the conceptual framework which consists five factors such as job inspiration, organizational shared value, relationship, quality of work life and leadership. The measurement of performance is conducting from self-assessment of individual performance.

The industry selected to study is hospitality industry. Because certain past researchers have proved that happiness is practically an influence to organizational performance in hotel industry. “While the issue of job stress in the hospitality industry has been gaining interest in the literature”, Jung and Yoon (2013), the outcome of the job stress is observed to be still much under reported. “An example of outcome is the limited reporting on the commonly identified negative relationship between stress and happiness in the hospitality industry”, Schiffrin and Nelson (2008). “Happiness is important in contributing to harmonious working environment and is particularly relevant in the case of keeping hotel guests happy as well”, Zulkarnain Amin and Akbar (2013).

1.2 Research Problem

A research done by Jessica Pryce-Jones and Julia Lindsay found that “employees who are happiest at work report being “on task” 80 percent of their working week. That is four days a week and employees who unhappy at work spend only 40 percent of their time on task. That’s two days a week. And it represents a huge cost to any organization is losing about 100 days’ work-or about 3.5 months for every unhappy employee” (Pryce-Jones & Lindsay, 2014, p.131). “Happiness is important in contributing to harmonious working environment and is particularly relevant in the case of keeping hotel guests happy as well”, Zulkarnain Amin and Akbar (2013). The Research topic which employee happiness and organizational performance was done in other countries such as Thailand, UK, Iran, America, South Korea etc. but not in Sri Lanka. It is research gap of our study and this study aims to find out the relationship between operational level employees happiness and organizational performance.

1.3 Research Questions and Objectives

1.3.1 Research questions

1. What are the determinant factors of happiness?
2. Is there any relationship among determinant factors of happiness (Job inspiration, Organizations shared value, Relationship with peers, Quality of work life, Leadership) and organizational performance?
3. Is there any relationship between operational level employees' happiness in hotel industry and the organizational performance?
4. Which kind of recommendations can provide to the research findings?

1.3.2 Research Objectives

Main objective: To find out the relationship between operational level employees happiness and organizational performance in Hotel Industry.

Sub objectives:

1. To find out the determinant factors that affect to happiness.
2. To determine the relationship between factors of happiness (Job inspiration, Organizations shared value, Relationships with peers, Quality of work life, Leadership) and the organizational performance.
3. To provide recommendations to research findings.

1.4 Hypothesis of the Study

H₁–There is a relationship between employees' happiness and organizational performance.

H₂–There is a relationship between job inspiration and organizational performance.

H₃–There is a relationship between organizations shared value and organizational performance.

H₄–There is a relationship between relationship with peers and organizational performance.

H₅–There is a relationship between quality of work life and organizational performance.

H₆–There is a relationship between leadership and organizational performance.

1.5 Significant of the study

It describes that success of an organization is depend on the performance of the individuals who are working in the organization (Ayu Putu Widani Sugianingrat et al., 2019), the performance of individuals may get increased when they are happier (Zelenski et al., 2008) and the quality of employees may get increased as a result of their happiness (Chaiprasit & Santidhiraku, 2011)., Employee happiness may generate better outcomes to an organization (Atkinson, Atkinson, & Hall, 2011). These points are proven that happiness may leads to higher performance of an organization. And because of that managing human resource has received the greatest concern of the management.

The happiness of employees may directly influence on the motivation of the employees as well as on the productivity. And the staff turnover may get effects on that. As a result of staff turnover, it may affect to recruitment cost of the organization. And furthermore, effects on the investments of training and development as well as on the way they service to their customers. Happy employees are more active and energetic and interested in their works, like to face challenges and difficult works (Joo & Lee, 2017). Employees who are interested in challenging jobs like doing innovations and helping company to survive in the market. Stress management techniques can decrease the occupational stress and it leads to increase to employee happiness (Majidi, Jafari, & Hosseini, 2012)a. This is very important factor to human resource managers. If HR manager give more attention to stress management techniques and apply those techniques for operational level employees will help to reduce their stress regarding to operations. This research focuses on hotel industry. If organization provide opportunities for hotel employees to extend their potential and build up their capabilities, may help to meet the employees' needs for personal growth, likely to be viewed as supportive and caring about the employees' well-being and autonomy and coworker significantly positive effects on job satisfaction. If hotels can provide a better working environment and facilitate strong and friendly coworker relationships among employees, job satisfaction can be effectively improved. That may positively affect to the organization. Because of job satisfaction employees get motivated and help to achieve organization as well as job satisfaction reduces the employee turnover and absenteeism (Zulkarnain Amin & Akbar, 2013).

According to above reasons, the importance of this study is on both internal and external stakeholders of an organization as it effects on organizational performance. And the performance of the organization may be a significant factor that helps stakeholders to take decisions. Hence managers must give special consideration on this happiness factor because it is identified in past researches as a fundamental factor which effects to organizational performance.

2 LITERATURE REVIEW

2.1 Happiness

“Happiness is according to Greeks, is not primarily rooted in receiving sensual pleasure, honors or money, although these may be contributing part of a greater pattern of positive factors”. According to the Aristotle happiness is good life in order to achieve the good life people must work in good organizations (Gavin & Mason, 2004). Happiness is a mindset which enables action to maximize performance and achieve potential (Pryce-Jones & Lindsay, 2014). Happiness is how much you like what you have or do (Santoso & Kulathunga, 2016). Santoso and Kulathunga (2016), conducted research to study about happiness, psychological wellbeing and stress through questionnaires and measurement conducted through two perspectives such as self-assessment of individuals, assessment of supervisors and it revealed that there is positive relationship between psychological wellbeing/happiness and performance. Khosrojerdi et al. (2018), done a research to identify the happiness and its predictors through the questionnaire with the demographics and occupational characteristics and analyzed through the multiple linear regression analysis. According to this study they found that employee happiness is affected by the different factors such as mental health, satisfaction with monthly salary, quality of life and work place relationships. In addition, they found some demographic factors like age, marital status also affects to the happiness of employees.

2.2 Happiness at Work

Pryce-Jones and Lindsay (2014), studied on how science of happiness at work delivers strategic outcomes with the use of 5c’s model and finally decided the really unhappy employees at work contributes only 40% their time on organizational tasks and another point they discussed is that it generates huge cost to organization. Gavin and Mason (2004) compared two companies which maintain happiness at work with use of employee surveys, questionnaires and company ranking information and they came up with conclusion if an organization concentrates more on positive psychology they can make their employees happier and healthier and through that organization can get more productive workplace.

Rodríguez-Muñoz and Sanz-Vergel (2013) conduct a research about happiness and wellbeing at work and found that happiness is not a term that has been extensively used in academic world. Research named “The human side of leadership-Inspirational leadership effects on follower characteristics & happiness at work” which was done by (Andrés Salas-Vallina, Joaquín Alegre, & Guerrero, 2018) indicates leadership influence more on happiness of

subordinates which means when there is a good leadership the employees become happy.

2.3 Importance of Happiness

Fisher (2010) carried out a research about how important happiness in the workplace, this research found that both short-lived events and chronic conditions in the task, job and organization influenced by happiness. In addition, they discussed happiness is related to job satisfaction and engagement, and secondly, they identified that happiness of individuals and groups are positively related to core and contextual performance, customer satisfaction, safety, attendance and retention. Morad Rezaei Dizgah, Mehrdad Goodarzvand Chegini, and Bisokhan (2012), conduct a research named "Relationship between job satisfaction and employee job performance in Gulian Public sector" by taking a sample of 323 individuals and revealed that the higher job satisfaction will increases job performance. Furthermore, this research decides if an organization concerned on the comfort, ability and satisfaction of employees they can gain more performance-oriented outcomes through them.

Ed Diener (2009) carried out a research on the topic of "Happiness is the frequency not the intensity of positive vs. negative effect", concluded that people who identified as successful are the ones who are happier.

3 METHODOLOGY

3.1 Research Design and Sampling Strategy

This is survey research based on data collection from grass root level. Quantitative methodology used as research approach. This study collected data from standard questionnaire.

One of Sri Lankan largest hotel chain was selected through the convenient sampling method as a population of this research and approximately 3000 operational level employees are working in that hotel chain. As a sample of this research, 350 operational level employees selected through the random sampling. (This sample selected as margin of error about 5% and 95% confidence level through the equation that shows in appendix 2).

3.2 Data Collection and Questionnaire Design

Data gathered through a standard questionnaire and there are three sections in this questionnaire survey. First section was demographic information of respondents, second section consists with questions related to factors which affect to happiness and third section consists with questions related to

organizational performance. Questions in second section developed by based on the five factors of happiness at work such as leadership, job inspiration, organizational shared value, relationship and quality of work life. Respondents were requested to state their personal opinions in each question on five-point Likert scale. 350 Questionnaires were distributed to operational level employees in Jetwing hotel chain and only 344 are returned from that.

3.3 Analysis Techniques

Data that collected from first section of questionnaire, analyzed by the descriptive statistics and correlation, multiple regression analysis are the methods that used for revealed the relationship between independent and dependent variables. Multiple regression is an analysis which is used to identify the relationship between dependent variable and the two or more independent variables. "Multiple linear regression (MLR), also known simply as multiple regression, is a statistical technique that uses several explanatory variables to predict the outcome of a response variable." (Kenton, 2019) Statistical software called SPSS used for analyzing the data.

3.4 Reliability and Validity Tests

A pilot study was done to identify the reliability of the questionnaire. To test that data was collected from 40 respondents. 0.94 represent the overall value of Cronbach's Alpha for 2nd and 3rd section of questionnaire. That value shows that questionnaire reliability is in a good level. Cronbach's alpha for items in section 2 such as leadership, job inspiration, organizational shared value, relationship and quality of work life respectively 0.903, 0.862, 0.818, 0.771 and 0.822. In addition, Cronbach's alpha value for section 3 shows 0.877. All variables are drawn from past literatures.

Table 1: Results of reliability test

Item	Cronbach's Alpha	N
Determinants of happiness (Section 2)		
Leadership	0.903	5
Job inspiration	0.862	5
Organizational shared value	0.818	4
Relationship	0.771	4
Quality of work life	0.822	3
Organizational performance (Section 3)	0.877	14

4 DATA ANALYSIS

According to the Table 2, there is moderate positive linear relationship between leadership, Job inspiration, organizational shared value, relationship and quality of work life with the organizational performance. Because correlation in between $0.3 < 0.7$. Furthermore, Happiness and Organizational performance has strong positive correlation ($0.7 < 1$).

Table 2 Pearson Correlation

	1	2	3	4	5	6	7
1 Leadership Pearson correlation Sig	1						
2 Job inspiration Pearson correlation Sig	.606	1					
3 Organizational shared value Pearson correlation Sig	.500	.573	1				
4 Relationship Pearson correlation Sig	.493	.449	.441	1			
5 Quality of work life Pearson correlation Sig	.392	.398	.410	.532	1		
6 Organizational Performance Pearson Sig	.618	.521	.554	.449	1		
7 Happiness Person correlation Sig	.794	.750	.729	.704	.614	0.897	1

Table 3: Model summary of regression analysis

Model	R	R square	Ajusted Rsquare	Std error of the estimate	Sig.
1	.897	.804	.804	.22865	.000

R square of this study is .804. That's mean 80.4 % of proportion of the variance in the dependent variable (organizational performance) that is predictable from the happiness (independent variable).

Table 4: Results of regression analysis

Model	Un-standardized coefficients		Standardized coefficient	t	Sig.
	B	Std. Error	Beta		
Happiness	1.032	0.028	0.897	37.508	.000
model	Un-standardized coefficients		Standardized coefficient Beta	t	Sig.
	B	Std. Error			
(Constant)	.924	.177		5.220	.000
Leadership	.279	.042	.337	6.569	.000
Job inspiration	.058	.046	.068	1.281	.201
Organizational shared value	.195	.042	.227	4.602	.000
Relationship	.152	.043	.174	3.525	.000
Quality of work life	.092	.042	.105	2.252	.025

B value for leadership is 0. 279. It shows that 27.9% of organizational performance describes from the leadership variable and 5.8%, 19.5%, 15.2%, 9.2% of organizational performance describe by the job inspiration, organizational shared value, relationship and quality of work life respectively. In addition, 10.32% of organizational performance describe by the happiness.

5 DISCUSSIONS

Main objective of this study is to identify the relationship between employees' happiness on organizational performance and it is achieved by reaching from two sub objectives. Firstly, it attempted to identify the determinant factors of happiness and all determinant factors which affect to the happiness are drawn from past literatures (Chaiprasit & Santidhiraku, 2011). Secondly, it attempted to identify whether there is a relationship between determinant factors of happiness and the organizational performance. The findings of the study confirmed the first hypothesis of the study that there is a relationship between employees' happiness and organizational performance. The findings show that independent variable of happiness has positive relationship with organizational performance. The significant value of happiness recorded .000 and it is lower than the p value (0.05). Because of that H_1 is accepted. The similar studies conducted in past also found that there is a relationship between employees' happiness and the organizational performance. Employees who have happy minds are more active ones also they working towards an approach and they like to do what they are doing and they sensitive to their peers when compared with miserable employees (Joo & Lee, 2017). As a result of happiness employees get motivated and they are performed well

(Santoso & Kulathunga, 2016). Happy employees are performing more than unhappy employees (Hosie, Willemyns, & Sevastos, 2012). Productivity of people increased when happiness level get increased (Zelenski et al., 2008).

Second hypothesis of the study was to test the relationship between job inspiration and organizational performance. The findings of the study rejected the second hypothesis. Because the job inspiration was recorded a significant p value of 0.201 and it is higher than 0.05. Therefore, there is no relationship between job inspiration and organizational performance. According to Chaiprasit and Santidhiraku (2011) which done a research about similar research area, found that job inspiration is not affected to the employees happiness.

The findings supported the 3rd, 4th, 5th and 6th hypothesis of the study.

The significant value of organizational shared value recorded as 0.000. It is lower than p value. Because of that there is a relationship between organizational shared value and organizational performance. Therefore, H₃ is accepted. According to Conzo, Aassve, Fuochi, and Mencarini (2017) found that there is a positive relationship between organizational value system and the employees happiness. 4th, 5th and 6th hypothesis also be accepted. Because recorded p value is lower than the 0.05.

The study focused to identify the level of happiness which predicts organizational performance. Many past researchers have done in this particular field. In addition, current study also revealed that there is a relationship between happiness and the organizational performance.

6 RECOMMENDATION AND CONCLUSION

In this study happiness measured by five determinant factors such as leadership, job inspiration, organizational shared value, relationship and quality of work-life. Final results of this study shown that there is a relationship between leadership, organizational shared value, relationship, quality of work-life and the organizational performance. And also, there is not any relationship between job inspiration and the organizational performance. Happiness and organizational performance shown that strong positive relationship. Because of above reasons happiness is very important to any organization. If organizations pay much attention to happiness may help to increase the efficiency of the organization and it may helpful for gain competitiveness. Creating happiness at work does not necessarily need money but executives and employees have to be determined in creating friendly atmosphere, one that increase creative thinking, and freedom for new ideas as in the saying "Quality organization starts with quality personnel, not quality machine or quality office. Quality personnel are personnel with knowledge, competence, creativity, virtue and happiness (Chaiprasit & Santidhiraku,

2011). As a result of the competitiveness of particular industry the need of further increasing the level of performance has become a massive need when considering perspective of the mentioned organization. If organizations pay much attention to happiness may help to increase the efficiency of the organization and it may helpful for gain competitiveness. Creating happiness at work does not necessarily need money but executives and employees have to be determined in creating friendly atmosphere, one that increase creative thinking, and freedom for new ideas as in the saying “Quality organization starts with quality personnel, not quality machine or quality office. Quality personnel are personnel with knowledge, competence, creativity, virtue and happiness (Chaiprasit and Santidhiraku, 2011).

Instead of that the other competitors can imitate the mentioned factors and increase their competitive rivalry to a better extent. That cannot be considered as a good trend in the organizational context. So, in order to overcome this challenge several recommendations are going to be mentioned. The following recommendations are not only helpful for the mentioned organization. But also, to the other organizations that are willing to increase their existing performance to a much better extent in future.

These recommendations are directly combining with employees. So, these details are much more beneficial in the context of HR Department As they are the ones who are directly involve in employee-oriented practices.

Finally, through the facts gathered it has been ensured that the all the above-mentioned factors and the recommendations given are related with happiness of employees through maintaining the positive mindset of employees’ better performance-oriented results can be gain through them. So, it has been recognized as the duty of mangers to conduct the above recommendations to make the positive mindset within employees. Instead of that they couldn’t be successfully deal with the competitiveness of the industry. The hotel industry of Sri Lanka has been identified as a one with huge competitive rivalry among the firms within the industry and if the firms were not getting the maximum use through their employees the other competitors can easily beat them. Further if they could be able to maintain a happier work force within the organization and maintain tries to increase their happiness level to a further extent it would be their competitive advantage as well. The positive mood of the employees who are in operational level is much more essential because the above-mentioned operational level employees are the ones who are directly dealing with the outcome of the organization. In hotel industry they are the ones who directly deal with customers. That means the positive psychological aspect of behavior may affects to customer behavior as well. Therefore, the above-mentioned recommendations will helpful for all managers in order to make more performance-oriented results towards the organization.

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