

ICRP 2019

4th International Conference on Rebuilding Place

PERFORMANCE MEASUREMENT DIMENSIONS FOR SRI LANKAN HOTEL INDUSTRY: AN EXPERT REVIEW

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Abstract

Traditionally, Organization Performance (OP) is used as an indicator to monitor and control the processes of the organization to ensure the strategic attainment of the organization's goals. The literature on OP dimension focuses on industrial or manufacturing sector and it is evident that service sector OP dimensions were developed based on banking, retail, and insurance sectors. The lack of attention on hotel industry is due to the fact that difficulty in defining the nature of the product as a pure product to pure service where it has three facets swing from pure service to tangible good including a service (Room), retail (Beverages) and finished/processed (Food at the restaurant) product. Thus, the aim of the paper is to review the experts' opinion on OP dimensions of the hotel industry in Sri Lanka. The panel of experts consists of academics, senior and middle-level management of hotel groups, representative of Sri Lanka Tourist Development Authority and Travel Advisory organization and opinion leaders in the hotel industry in Sri Lanka. The study used Analytic Hierarchy Process (AHP) to combine the criteria weights and the options scores of experts to determine an overall score for each determinant/indicator of OP dimensions for Sri Lankan hotel industry. The finding of the study contributed to the hotel industry literature in Sri Lanka and further the expert reviewed OP dimension opened an avenue for empirical validation in real world application.

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Keywords: Hotel industry, organisation performance, performance measurement, expert review.



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1. Introduction

Organizational Performance (OP) is an important index of the organization. Any organization, whether it is profit oriented or non-profit oriented, attentive its performance which measure the actual output of the organization against the stated objectives agreed at the beginning of the year. The performance is measured annually, bi-annually, quarterly, monthly or based on the agreed time frame of the organization. The OP measures the effectiveness of value delivery process of an organization (Antony & Bhattacharyya, 2010). Traditionally, OP is used as an indicator to monitor and control the processes of the organization (Nanni, Dixon, & Vollmann, 1990), which ensures the strategic attainment of organization's goals. Thus, it argued that performance of the organization is the outcome of successful delivery of the value. The performance of an organization measured in three alternative ways as feed forward/ex-ante, concurrent or feedback/ex-post (Wilson & Chua, 1993). The feedback used to review past performance while feed forward review the future performance. The concurrent measurement was done to monitor current performance of the organization.

The evolution of OP measurement system is built upon industrial dimension and focus given on the prerequisite of industrial entities (Johnson & Kaplan, 1991). Therefore, traditional OP dimensions were influenced by financial dimensions and indicators like Earning per Share and Return on Investment. However, after 1990s emphasis was changed to non-financial dimensions derived from the disciplines like strategic management, management accounting and operational management (Eccles & Pyburn, 1992; Brignall, Fitzgerald, Johnston, & Silvestro, 1991). These scholars pointed that finance is the requirement of management or the owners of the organization and other stakeholders have their own expectations about the business, where those are not fulfilled or evaluated by mealy focusing on financial performance of the organization. On account of this, it is argued that balance view on performance measurement, can achieve by focusing on macro environmental aspects which covers both financial and non-financial dimensions and indicators. This emphasised the importance of multi-dimensional mechanism for successful measurement of OP.

The hotel sector of Sri Lanka is thriving industry with a future potential as leading travel advisory organization identify Sri Lanka as best destination for travel. With this nomination, the sector grew rapidly, and number tourist arrival increased rapidly. The industry recorded over 1.5 million tourist arrivals in year 2015 with the 1.79 percent contribution to gross national production (Central Bank of Sri Lanka, 2015). The tourism industry of the country grew by 19.8 percent in year 2014 compared to 2013, is well above the estimated rate for the world tourism growth of 4.7 percent and 7.1 percent for South Asia (Central Bank of Sri Lanka, 2015). Also, it is confirmed that industry generates US \$ 2 billion earning with the increase 41.7 percent earnings growth and the 74.4 percent room occupancy rate of the graded hotels compared to year 2013 (Central Bank of Sri Lanka, 2015). In this regard, during the period of 2012-2016, the Sri Lankan tourism focused on hotel development and infrastructure expansion with the ambition of 2.5 million visitors in 2016. Thus, importance of the of the sector is gradually increased. In this context, a comprehensive performance measurement system portrait how well each hotel performs within the industry. Further it is noted that star rating, reviewer rating on travel-related content by review agencies/stakeholders, and international hotel awards depends on performance of the hotel within the particular period. This emphasises the importance of effective performance measurement system for

hotels. Also, it is argued that the localization of performance measurement mechanism is important to match local circumstances of the given territory (Wadongo, Odhuno, Kambona, & Othuon, 2010).

1.1. Literature review

Performance is identified as the time test for the strategy (Hofer & Schendel, 1980) and noted as a function of the strategic management (Chakravarthy, 1986) where the performance of an organization is depending on the strategies of the organization. The argument emphasised importance of association between organization strategy and the dimensions of performance in the context of competitive environment, market orientation and the processes/activities of a hotel (Brignall et al., 1991; Haktanir & Harris, 2005). OP measurement system of hotel industry is not well documented in management literature (Hofer & Schendel, 1980). The conventional literature failed to identify the importance of service industry, its growth and the expansion (Brignall & Ballantine, 1996). Thus, the classical OP measurement mechanism failed to design a system which is suitable to unique nature of the service sector. Although, consequent attention is on service sector focus on commercial banking, retail and insurance, scholars neglected hospitality and travel sector, which inhibit successful development of performance measurement system for hotel industry (Chen, 2007; Pan, 2005).

1.1.1. Organisation performance in hotel industry

The hotel is a product which characterised between pure intangible, heterogeneous, perishable to tangible, homogeneous and non-perishable service (Brignall et al., 1991). In this context, it is difficult to define hotel as a pure product or a pure service. A hotel offer service product includes room services and related support services. The retail product includes selling of beverages purchased from suppliers and food item processed/prepared in its own kitchenette and resultant (Harris & Mongiello, 2001). With reference to above, OP measurement dimensions of the hotel should cover pure service (Room service), stock management including services (Beverage), and also production and distribution (Food at the restaurant). Thus, three-dimensional view for OP is required to describe the “Total Hotel Product”.

The traditional performance dimensions and indicators used by the management of hotels such as occupancy percentages, profit indicators and return on investment are invalid in competitive business environment (Brown & McDonnell, 1995). In contemporary management it is argued the business performance is the outlook of strategic management, which is a subset of the overall organizational effectiveness, includes financial, operational and organizational performance i.e. strategic management (Venkatraman & Ramanujam, 1986).

In this context the performance measurement system developed based on a tri-partition of performances including financial, operational and organizational dimensions (Sainaghi, 2010) and established five internal dimensions for OP in hotel sector namely; (a) strategy, (b) production, (c) marketing, (d) organization, and (e) IT and ITC. The external dimensions of OP identified as macroeconomic forces like shock like 9/11 or respiratory syndrome epidemic, structure of tourism sector or market and destinations which are a function of its marketplace. However, it is confirmed that literature on external dimensions are handful of articles which gave marginal emphasis (Sainaghi, 2010). Further, the explanatory power of macroeconomic forces on hotel performance is low as 8-10 percent (Chen, 2007).

It is recognised that financial indicators play a key role as an indicator of the performance of the hotel (Harris & Mongiello, 2001). However, the criticism of traditional OP system makes scholars to review contemporary dimensions on OP measurement system for the service sector. Out of these new models most popular models were Balanced Scorecard (Kaplan & Norton, 2005), the Performance Pyramid (Lynch & Cross, 1995), Integrated Performance Measurement (Nanni, Dixon, & Vollmann, 1992) and Performance Measurement in Service Businesses (Brignall et al., 1991). These scholars argued that those models are capable enough to measure performance of industrial sector as well as service sector organization performance using financial and non-financial dimensions.

1.1.2. Financial Dimension and Non-Financial Dimension

The majority of hotels focused on financial indicators to evaluate performance and marginal attention was given non-financial indicators (Brown & McDonnell, 1995; Atkinson & Brown, 2001). Profit, turnover (Beatham, Anumba, Thorpe, & Hedges, 2004), growth and profitability (McKee, Varadarajan, & Pride, 1989) are frequently used financial indicators as OP measures in business organization. An empirical study of Kenyan hospitality industry confirmed the use of profitability, turnover, sales, and liquidity ratios as financial indicators (Wadongo et al., 2010).

Scholars argued that financial information is historical data and become neutrality due to accounting period delay. As a result, financial dimension on OP gave feedback on what happened in past and it is not explained the current or future picture of the organization (Atkinson & Brown, 2001; McKee et al., 1989; Lynch & Cross, 1995). Also, it is argued that financial indicators are short-sighted and not focus on the future direction of the organization (Wilson & Chua, 1993). Further to above main limitations, financial measures have limitations on their accuracy and irrelevant due to the accounting period delay. Not only that the traditional in nature, the differences in accounting practices and incongruities of financial measures in competitive business environment are identified as limitations of financial data. At the same time, financial dimensions are criticised due to its irregular approach (Harris & Mongiello, 2001) poor market orientation, and micro in nature (Phillips, 1999). Therefore, importance of use of non-financial dimensions and indicators of hotel industry emphasised.

In the late 1990s, uses of non-financial dimensions are based on operational indices includes price of the room, the number of rooms occupied, customer satisfaction (Brown & McDonnell, 1995). However, a major critic of organization performance is the poor integration of strategic management to OP measurement mechanism. The study on "Performance Measurement in Service Businesses" funded by Chartered Institute of Management Accountants, identified six dimensions of performance (Brignall et al., 1991). These six dimensions were categorised into two broader areas namely results and determinants. Results include; (a) financial performance and (b) competitiveness. Determinants are (c) quality of service, (d) Flexibility, (e) Resource Utilization, and (f) Innovation. Further, it is emphasised the use of employee related performance indicators or dimensions for the hotel industry, since, satisfaction and the moral of the employees are prevalent to a satisfied guest (Brignall et al., 1991; Onyango, Monica, Edwin, & Roselyne, 2009).

The empirical use of Balance Scorecard Approach (Kaplan & Norton, 2005) to measures the performance of Northumbria Tourist Board area in the United Kingdom confirmed total operating revenue, revenue per available room, cost relative to budget as Financial Performance indicators.

Customer satisfaction, the number of complaints, mystery guest, local market share and returning guest are identified as Customer perspective indicators. Internal Business Perspective indicators used in Northumbria Tourist Board area hotels were service errors, complain response, payroll percentage, employee turnover, revenue by segment. New markets identified, staff appraisal, staff target, courses completed, improvements identified as indicators of Innovation and Learning perspective (Evans, 2005).

A case study on performance measurement of hotels in Northern Cyprus identified six themes as (a) Business dynamics, (b) Overall performance measures, (c) Employee performance measures, (d) Customer satisfaction measures, (e) Financial performance measures and (f) Innovative activity measures (Haktanir & Harris, 2005). These six themes identified as core areas of performance measurements of a hotel. The theme Business Dynamic focused on decision making rational and the behaviour of response mechanism for business related issues (Haktanir & Harris, 2005). The second theme, Overall Performance is focused on periodic assessment of long-term overall performance. This reviewed the overall success of the hotel. The Employee Performance is vital for customer satisfaction which reviews the performance of employees starting with the first appearance to even after checkout from the hotel, employee performance at the front desk, restaurant, and operation department. The fourth theme, Customer Satisfaction is measured based on the critical indicators such as comments on guest card, feedback from the customer after checkout, and repeat business. The Financial Performance investigate how success the hotel in financial terms and measured by F&B costs in comparison with the budget, F&B revenue, F&B expenses, income per head and room revenue per head. Finally, Innovative Activity measures new additions and innovation taken place within the performance measurement year to increase the in-house sales.

The performance measurement on Nigerian hospitality industry was empirically tested using Fitzgerald model (Brignall et al., 1991) (adopted) and confirmed competitiveness, quality of service, innovation, community social responsibility, supplier performance resource utilization, and flexibility as the non-financial dimensions to measure hotel performance (Wadongo et al., 2010). This adopted model includes 8 dimensions for measurement of hotel performance including financial and non-financial dimensions. The original six dimensions of Fitzgerald model (Brignall et al., 1991) and addition of another two namely (a) supplier performance and (b) environmental/community perspectives making a total number of dimensions into eight (Kennerley & Neely, 2002). In 2010, the study on Kenyan hospitality industry confirmed inclusion of non-financial dimensions namely resource utilization, innovation, supplier performance and environmental indicator (Wadongo et al., 2010).

A study by Sainaghi on literature on OP dimensions of hotel industry summarised five main internal influencers, namely Strategy, Production, Marketing, Organization and ITC (Sainaghi, 2010). Organization strategy is main determinant of organization performance. The Strategy includes competitive strategies (Claver-Cortés, Molina-Azorín, & Pereira-Moliner, 2006), diversification (Jae Lee & Jang, 2007) and portfolio (Yeung & Lau, 2005) for hotel performance. Further Corporate Social Responsibility and Environmental strategy are identified as determinants for strategy (Lee & Park, 2009). Other than to above strategies, capital structure, and the firm's performance was discussed in hotel OP literature. The Production as a dimension focuses on efficiency and productivity management on the hotel (Sigala, 2004). On the other hand, it is argued that efficiency and productivity are the main factors for survival of hotel (Chen, 2007). The attributes used to measure the efficiency are the number of full-time

employees, number of rooms, total building area compared to total revenue, occupancy and the guest satisfaction (Chiang, Tsai, & Wang, 2004; Hsieh & Lin, 2010). The Marketing is the third dimensions effect on hotel performance (Sigala, 2004). Marketing particularly focuses on (a) market orientation which explains how far organization is focused on customer requirements and preferences. The market orientation is important to the organization, because future of the hotel and its performance depends on how far hotel has been satisfied the requirement of its guests and (b) quality which is the heterogeneity in nature due to personal contact in hotel industry and (c) seasonality (Sin, Tse, Heung, & Yim, 2005). The fourth dimension of model was Human Resource Management (HRM) or in short “Organization” which is focused on knowledge management and staff satisfaction of the hotel. Two main determinants are (a) supportive team culture and knowledge sharing to innovation performance and (b) the relationship between employee satisfaction and the performance. The ITC is identified as final dimension which was not a popular dimension. Thus later it was drop as a performance dimension of the hotel industry (Sainaghi, 2010).

2. Problem Statement

Even though a comprehensive adopted performance measurement system is a basic requirement for hotel industry, many hoteliers simply practicing performance measurement systems developed in western countries (De Waal, 2007). On the contrary, it is remarked that focused on financial and non-financial perspective on performance is a requisite in the context of hotel industry which serves three-dimensional product namely; goods (product sales), service (room service) and finished/processed product (food processing) to its guests. Further, locally adopted performance measurement system is a key to the successful measurement of organization performance of hotels in any country. Thus, the aim of the study is to review the literature on performance measurement dimensions of hotel industry and analysis the experts’ view on priorities on performance measurement dimensions and indicators for Sri Lankan hotel industry.

3. Research Questions

The study attempts to address the research gap by reviewing the literature and identify possible measurement performance dimension on Hotel Industry in Sri Lanka. Accordingly, following research questions have been derived.

- What are the Hotel Performance dimension in Sri Lanka?
- What are the indicators of performance of hotel industry in Sri Lanka?

4. Purpose of the Study

The financial and non-financial performance management system confirmed that contemporary performance measurement criteria is able to measure effectiveness, efficiency, flexibility, creativity, and sustainability of inputs of the organizations. Therefore, it is noted that, balance view of financial and non-financial criteria are requirements to measure performance which able to evaluate the effectiveness, efficiency, productivity, flexibility, creativity and sustainability of performance of an organization. In this

context, the study proposed a holistic performance measurement system for hotels which covers financial and non-financial criteria, in line with Jan van Ree (2002). Thus, research gap will be covered once the holistic view on performance measurement system has been concluded. In this regard, the results of the study support to develop comprehensive OP system for Sri Lankan hotel industry based on expert opinion.

5. Research Methods

The Analytic Hierarchy Process (AHP) is used to identify priorities of OP dimensions for measuring organization performance of the hotel industry in Sri Lanka. The rational decision making for any identified problem is done based on determinants or criteria. However, these determinants are not important in the same scale. Thus, the identification of most important and least important determinant on decision making opens an avenue to make a rational decision. The AHP model, scale out the determinants in a way which measure importance of each compared to other. The result confirms how many times a determinant is more important or dominant over another determinant. The final outcome of the AHP model is the individual priorities of determinants and the overall priorities of indicators based on determinants weightage. The study used AHP priorities to analysis expert opinion on OP dimensions for the hotel industry in Sri Lanka

The study defined an expert as a Sri Lankan who published in scientific journals about hotel industry or who worked/had management experienced on hotel industry in more than 5 years or who attend the scholarly conference and present research finding about the hotel industry. This ensures the expert view on priorities of OP dimensions of the hotel industry. The study used email web base survey and traditional paper-pencil personal contacts to reach expert during the month of June-July 2016. The response rate was 42.69% and a total of 38 experts were answered to the questionnaire. The total of 38 experts represents different subsectors of the industry represent one sector by one expert. Refer table 01 for details.

Table 01. Details of Participants

| Participant Category | No of Participants |
|---|--------------------|
| Academics | 03 |
| Senior management staff of hotels | 12 |
| Middle management staff of hotels | 14 |
| Management staff of Sri Lanka Tourist Development Authority | 02 |
| Management staff of Travel Advisory Organizations | 05 |
| Opinion Leaders | 02 |
| Total | 38 |

The literature review summarised 8 OP dimensions used to measure performance of the hotel industry. Table 2 is the details.

Table 02. Definition of OP Dimensions for Hotel Industry

| OP Dimension | Definition |
|---------------------------|---|
| Competitiveness | The ability and performance of a firm over its competitors. |
| Environmental perspective | The ability of the organization to meet environmental standards and the social wellbeing. |
| Financial Performance | The ability of the organization to use its assets and business activities to generate revenue |
| Flexibility | The ability to customise the chargers/rates, job of the employees as per the customer's requirements. |
| Innovation | The ability to translating an idea or invention into a good or service |
| Resource Utilization | The ability to use of organization's human, physical and financial resources to achieve best results for the organization |
| Quality of Service | The ability to maintain reliability, curtsey and availability when meeting guest requirements |
| Supplier Performance | The supplier's ability to meet quality and time standards of the hotel or benchmark |

The study summarised OP indicators of each dimension based on literature review. Accordingly, three “competitiveness”, and four “environmental perspective” indicators were identified. Further six, three, two, and five indicators identified respectively as indicators of “financial performance”, “flexibility”, “innovation” and “resource utilization”. Also, two “supplier performance” and four “quality of service” indicators were identified. All these indicators are used to estimate level 2 priorities in the AHP process to derive overall priorities of each indicator. The AHP questionnaire constructs in a way of pairwise comparison matrices. Each element in an upper level is used to compare the elements in the level immediately below with respect to it. The scale used absolute number to 1 to 9 to compare the level of important of the element over another element with respect to criteria which they are compared (Petrillo, De Felice, & Saaty, 2016). The consistency check of the pairwise comparison gave the validity. According to the literature (Petrillo et al., 2016). Consistency Ratio of expert judgement should be less than 0.1. Thus, this study accepts Consistency Ratio value less than 0.1 or 10 percent as consistent expert judgment.

6. Findings

The AHP priorities on main 8 dimensions confirmed that “Competitiveness” is the most important dimension on performance measurement of the hotel. Financial performance, Quality of service and Innovation identified as second, third and fourth level priorities on OP measurement dimensions for the hotel in Sri Lanka. The Consistency Ratio of the expert review was 3.2 percent which below 10 percent confirmed that expert review on OP dimensions were consistent (Petrillo et al., 2016). According to the results of expert review, it is endorsed that “Financial performance” is not the most important performance determinant to the evaluate performance of the hotel (refer to Figure 1).

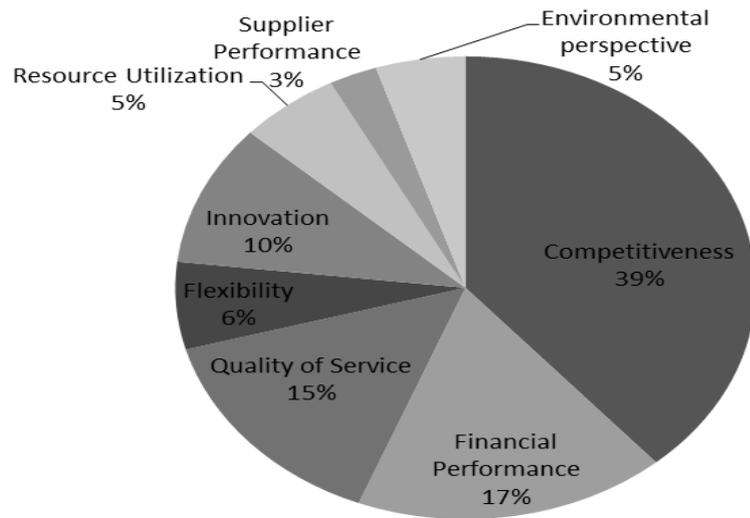


Figure 01. AHP Priorities on OP Dimensions

The Market share and the Sales growth rate are most important indicators of Competitiveness by the expert with Consistency Ratio of 1.0 percent. Refer table 3 for details

Table 03. AHP Priorities on Competitiveness

| Indicator | AHP Weight |
|-------------------------|------------|
| Market share percentage | 0.606 |
| Sales growth percentage | 0.333 |
| Competitor performance | 0.061 |

Consistency Ratio 1.0% which is less than 10%: Source: Field data (2016)

The second most important OP dimension was the “Financial performance” with the AHP weight of 17.4%. The priorities of indicators of “Financial performance” were (a) Net profit and Gross profit attained, (b) Room turnover, (c) Daily occupancy ratio, and (d) Total revenue achieved. The consistency ratio on expert review was 7% which is under the acceptable level (Petrillo et al., 2016). Refer table 4 for details.

Table 04. AHP Priorities on Financial Performance

| Indicator | AHP Weight |
|--------------------------------------|------------|
| Net profit and gross profit attained | 0.520 |
| Room turnover | 0.154 |
| Daily room occupancy | 0.114 |
| Total revenue achieved | 0.128 |
| Total sales | 0.051 |
| Daily average room rate | 0.033 |
| | 1.00 |

Consistency Ratio 7.0% < 10%: Source: Field data (2016)

The third priority OP dimension was “Quality of services”, received 14.5 percent importance by the expert. The indicators of this dimension were (a) Classification rating of the hotel, and (b) Guest evaluation of employees and (c) the Hotel design received 99.93 percent weightage. The indicator priorities of “Quality of service” given in table 5.

Table 05. AHP Priorities on Quality of Service

| Indicator | AHP Weight |
|--------------------------------------|------------|
| Maintaining classification rating | 0.6230 |
| Guest evaluations on employees | 0.1870 |
| Guest evaluations on design facility | 0.1230 |
| Guest evaluations of benefits gain | 0.0670 |
| | 1.00 |

Consistency Ratio 5.3% < 10%; Source: Field data (2016)

The total AHP weight of above three dimensions is 70.7%. This concludes that Competitiveness, Financial performance and the Quality of service are most important dimensions of hotel performance. The successfulness of business strategies like market penetration, market development, and product development are pulses of the performance level of the hotel. Further, it revealed that star rating of the hotel, enthusiastic and motivated staffs are contributors of satisfied guest and Quality of service. These indicators show how far the quality of services achieved. The outcome used as the yardstick to measure the performance of the hotel which is a non-financial dimension. According to the results of expert review hoteliers are need to focused on the net and gross profit attained, room turnover, daily occupancy ratio, services and the offers to achieve and maintain financial success of the hotel.

The fourth priority OP dimensions were “Flexibility” which is defined as the ability to customise the charges/rates, the job of the employees as per the customer’s requirements. As per the experts, the dimension received a weight of 6.1 percent. The level of flexibility measured on how far the hotel can adjust guest need, and the time taken to meet the customer requirements. Hotel needs to have standards time for each activity handled by the employee and ensure the real results with standards to reach the best performance on flexibility. Later standards can introduce as a benchmark of the hotel or the industry.

The “Innovation” as dimension received only 0.099 overall weight by the expert. Results showed that performance of individual employee contributes 80 percent of innovation of the hotel as an indicator of Innovation. The innovative culture within the hotel can improve by recruiting people with different perspectives, with openness to change and leads by examples. The dimension “Resource utilization” as the ability of use of organization’s human, physical and financial resources to achieve best results received 5.6 percent weight from experts as an OP dimension. The expert confirmed that a number of employee training programs and frequency level of resource breakdown are contributors of resource utilization. Thus, performance is measured by the number of the training programs and its results during the evaluation period and how far the hotel manages the threshold level of service breakdown and/or makes it zero level. The seventh dimension was the “Environmental perspective” of the hotel or performance, which received 5 percent weight by an expert. The indicators namely a number of environmental projects handled by the hotel received the highest weight with 64.90 percent and a number of community projects participated with 18.7 percent weight. The hotel performance on green projects

including reduce, reuse and recycling has an effect on performance in the way of financial saving and making happy and satisfied customer. The final performance dimension was “Supplier performance” with the AHP weight of 2.7 percent. This includes two indicators namely supplier delivery and complying with standards. Both indicators have equal importance with 50 percent AHP value (refer Table 6).

Table 06. AHP Priorities on Supplier Performance

| Indicator | AHP Weight |
|----------------------------------|------------|
| Hotel supplier delivery on time | 0.50 |
| Hotel supplier meeting standards | 0.50 |
| | 1.00 |

Consistency Ratio 0.0% which is less than 10%; Source: Field data (2016)

6.1. Overall priorities

Once the main priority order of dimension and indicators analysis done, the study analysed overall weight of indicators based on AHP weight of dimensions. The results of calculations are given in Table 7.

Table 07. AHP Priorities on Supplier Performance

| OP Dimension | Indicator | Global Priorities |
|---------------------------|--|----------------------------------|
| Competitiveness | Market share | 0.234 |
| | Sales growth | 0.129 |
| | Competitor performance | 0.024 |
| Financial Performance | Net profit | 0.091 |
| | Room Turnover | 0.027 |
| | Daily Room occupancy | 0.020 |
| | Total Revenue Achieved | 0.022 |
| | Total Sales | 0.009 |
| | Daily Average Room Rate | 0.006 |
| | Quality of Service | Star Rating |
| | Guest Evaluations on Employees | 0.028 |
| | Guest Evaluations on Design Facility | 0.018 |
| | Guest Evaluations of Benefits Gain | 0.010 |
| | Flexibility | Ability to Adjust to Guest Needs |
| | Ability to Meet Customer Requirement | 0.015 |
| | Delivering Guest Products and Service | 0.005 |
| | Resource Utilization | Frequency of Equipment Breakdown |
| | Number of Employee Training Program | 0.022 |
| | Level of ICT Usage | 0.006 |
| | Employee Turnover | 0.005 |
| | Employee Performance Appraisal Ratio | 0.003 |
| Innovation | performance of individual employee | 0.079 |
| | Number of Innovation | 0.020 |
| Supplier Performance | Delivering on Time | 0.013 |
| | Meeting Standards | 0.013 |
| Environmental perspective | Number of Community Service Project | 0.013 |
| | Number of Corporate Sponsorships | 0.002 |
| | Participation in Environmental Conservations | 0.006 |
| | Number of Environmental Projects Undertaken | 0.027 |

Source: Field data (2016)

The results or the priority order of individual indicators are tally with level 01 priority order of competitiveness, financial performance, flexibility and quality of service as AHP dimensions for OP measurement of the hotel industry in Sri Lanka. According to the overall priority order, main 10 indicators of OP dimensions are market share, sales growth, star rating, net profit, performance of individual employee, ability to adjust guest needs, guest evaluations on employees, room turnover, number of environmental projects undertaken and competitor performance..

7. Conclusion

This study aims to evaluate priority order of performance dimensions of the hotel industry in Sri Lanka based on the expert review. The study used AHP method as the tool to estimate priorities of OP dimensions within the Sri Lankan perspective. This country-specific analysis confirmed that competitiveness is the most important OP measurement dimension while supplier performance identified as a least important dimension for OP evaluation of hotel industry in Sri Lanka.

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