

## **Mediating Effects of Social Media on the Relationship between Human Skill and Competitive Advantage in Sri Lankan Star Hotels**

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**ABSTRACT:** *Social media is a new experience that change operates of business environment. The quality of accessibility and most cost effective marketing way are its gains today. Businesses are able to gain access to advantages that were otherwise not available to them. Meanwhile, the hotel industry is one of the rapidly growing labour intensive industry actively pursuing contemporary marketing strategies applicable as to remain competitive. Hence, hoteliers need to rethink their strategy of marketing to manage among others which includes the social media. This research is to study the mediating effects of social media on the relationships between human skill and competitive advantage in which 331 were the sample size of executive grade officers in Sri Lankan star graded hotels. In this study mainly use the primary data which were collected through questionnaire survey. The quantitative data were analysis using SPSS for correlation and Sobel equation. Results indicated that the mediating effects on the relationship between social media and competitive advantage. There were positive correlations among the human skill, social media and competitive advantage.*

**Keywords:** *social media, competitive advantage, Sri Lankan hotel industry.*

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### **I. INTRODUCTION**

Social media offers a new management and business opportunities and can be applied strategically in at least four different ways for gaining competitive advantages; improve productivity and performance, facilitate new ways of managing and organizing, and develop new businesses (Peppard, 1993). Ultimately, firms investing in social media would attempt to gain a competitive advantage by lowering their cost or by improving perception of customers about the quality of their products and services, and hence the differentiating of their offering (Potter and Millar, 1985).

The different types of capabilities can be created by utilizing the social media. Williamson 2010, study emphasis that capabilities in the customer intimacy, knowledge management, reputation build up, sense- and-respond, and innovation enhanced by the utilization of social media. Furthermore, managing upward, working efficiently and replacing technology are some of the benefits from social media (Jackson et al, 2007). According to Williamson, building career, self expression, developing reputation, gaining perspective and gaining company pulse can be enhanced through the sharing of information, problem solving and giving feedback using communicating and networking facilities on social media.

Although utilizing the social media in the hotel industry in Sri Lanka, who had little social media use, they nevertheless recognized the potential benefits from social media to build their reputation in conjunction with the organization culture of the hotel industry. Therefore, this study address the social media for reputation build up through the online marketing and this would be help to fill the gap between the country and individual image building process for competitiveness in which hotel industry can provided the major role for image building through improving their direct marketing.

### **II. OBJECTIVE OF THE STUDY**

To meet the objectives, this analytical research examined the following hypotheses: the mediating effects of social media on the relationship between human skill and competitive advantage.

### **III. RESEARCH METHODS**

#### **Survey Instrument**

The researcher developed a standard questionnaire to measure the all variables that are relevant to the study by adapting existing scales. The questionnaire was rated the response their agreement with each item on a Likert scale ranging from strongly disagree (1) to strongly agree (5). Human skill was measure using two dimension; IT Knowledge (ITK) (Ong and Ismail, 2008; Caldeira and Ward, 2003) and top management commitment (TMC) (Carpenter et al., 2004). Utilization of social media was measure using three dimensions (Tapscott and Williams,2006); openness of social media (SMO), shearing of social media (SMS) and peering of

social media (SMP). Customer satisfaction (CS) (Rohm et al., 2004) and organizational performance (OP) (Chailee, 2008) are the dimensions of the competitive advantage.

**Sampling and data collection**

The sample for this study came from star grade hotels in Sri Lanka undertaking executive grade offices. Using a universal sampling, each manager was invited to participate in the survey. The questionnaires were distributed among the 392 executive officers of star hotels in the period of May to December, 2014 in Sri Lanka and usable responds was 331. Journals, publications, magazines, and books accessed via the Internet are the main sources of secondary data for this study.

**Data Analysis**

Data was analyzed through the SPSS (Statistical Package for the Social Sciences) for which the descriptive frequency analysis, normality, Pearson Product Moment Correlation, and Soble equation.

**IV. RESULT**

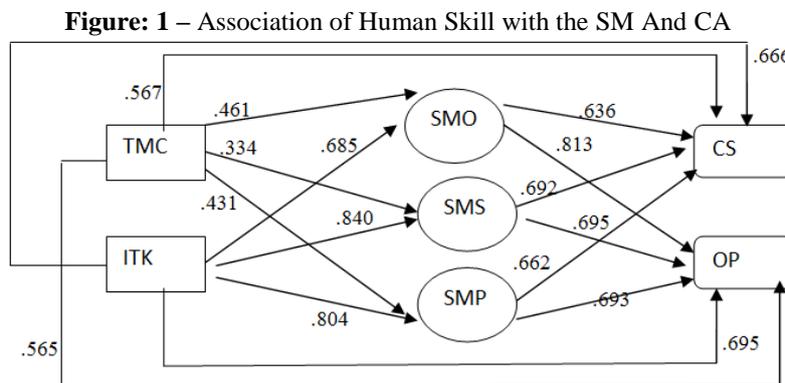
**Respondent Profile**

The composition of the sample indicated that the 88 % of respondents are represented by males while the remaining 12% are represented by the female respondents. Most of manages are male and they are employed with high job satisfaction. The reason that service providing with room occupancy is the nature of the job for male workers is due to the nature of the industry.

Hotel manages fell into the 31-35 years age group (41%), followed closely by 41% are above the 36 year age group. Of the rest closely by the 26 - 30 age groups at 15% and below 20 year age group represent by 9%. The level of education was categories as degree, diploma, O/L, A/L and others. In order to that in this research, it provided the picture for tertiary education level in Sri Lanka.

**V. ASSOCIATIONS AMONG THE HUMAN SKILLS, SOCIAL MEDIA AND COMPETITIVE ADVANTAGE:**

The human skill has a highly positive correlation with the top management’s commitment (TMC - 0.802), IT knowledge and experience (ITK – 0.837). The analysis shows the correlation of the top management’s commitment with customer satisfaction (0.567) and organization performance (0.565) in the Sri Lankan hotel industry. Furthermore, there is a positive correlation between the IT knowledge and experience with customer satisfaction (0.666) and organizational performance (0.695). Social media openness (SMO), shearing (SMS) and peering (SMP) are the measurements of the social media utilization in which provide the positive association with the customer satisfaction, organizational performance and also the top management commitment and IT knowledge.



**Table 1: Mediating Effect Of Openers Of Social Media (SMO) For Human Skill And Transaction On Customer Satisfaction (CST)**

Independent Variable	B and SE values	Mediating Variable	B and SE values	Dependent Variable	Mediating effects from Soble Equation	Result
TMC	0.174 / 0.0555	SMO	0.433 / 0.063	CTS	Z = 2.604 P = 0.005	Mediator
ITK	0.505 / 0.501	SMO	0.433 / 0.063	CTS	Z = 5.877 P = 0.000	Mediator

The mediating effect of openers of the social media is 2.++ for the relationships between the customer satisfaction on transaction (CST) with top management commitment (TMC). The mediating effect of the

openers of the social media is 5.877 for the relationship between the IT Knowledge and customer satisfaction on the transaction (CST).

**Table 2:** Mediating Effect Of Openers Of Social Media (SMO) For Human Skill And Distribution On Customer Satisfaction (CSD)

Independent Variable	B and SE values	Mediating Variable	B and SE values	Dependent Variable	Mediating effects from Soble Equation	Result
TMC	0.174 / 0.0555	SMO	0.337 / 0.066	CTD	Z = 6.072 P = 0.000	Mediator
ITK	0.505 / 0.501	SMO	0.337 / 0.066	CTD	Z = 5.052 P = 0.000	Mediator

The mediating effect of the openers of the social media is 6.072 and 5.052 for the relationship between the customer satisfactions on distribution (CSD) with the top management commitment (TMC) and IT Knowledge respectively.

**Table 3:** Mediating Effect Of Openers Of Social Media (SMO) For Human Skill And Internal Factors Of Organizational Performance (OPI)

Independent Variable	B and SE values	Mediating Variable	B and SE values	Dependent Variable	Mediating effects from Soble Equation	Result
TMC	0.174 / 0.0555	SMO	0.173/ 0.059	OPI	Z = 2.142 P = 0.016	Mediator
ITK	0.505 / 0.501	SMO	0.173/ 0.059	OPI	Z = 3.202 P = 0.001	Mediator

The mediating effect of the openers of social media is further presented in Table 4.57. The mediating effect of openers of the social media is 2.++ for the relationships between the internal factors of organizational performance (OPI) and top management commitment (TMC). The mediating effect of the openers of the social media is 3.202 for the relationship between the customer satisfactions on distribution (CSD) and IT Knowledge.

**Table 4:** Mediating Effect Of Openers Of Social Media (SMO) For Human Skill And Marketing Factors Of Organizational Performance (OPM)

Independent Variable	B and SE values	Mediating Variable	B and SE values	Dependent Variable	Mediating effects from Soble Equation	Result
TMC	0.174 / 0.0555	SMO	0.419/ 0.059	OPM	Z = 2.747 P = 0.003	Mediator
ITK	0.505 / 0.501	SMO	0.419/ 0.059	OPM	Z = 5.982 P = 0.000	Mediator

The mediating effect of the openers of the social media is 2.++ for the relationships between marketing factors of the organizational performance (OPM) and top management commitment (TMC). But, the mediating effect of the openers of social media is 5.982 for the relationships between the marketing factors of organizational performance (OPM) and IT Knowledge (ITK).

**Table 5:** Mediating Effect Of Openers Of Social Media (SMO) For Human Skill And Competitive Factors Of Organizational Performance (OPC)

Independent Variable	B and SE values	Mediating Variable	B and SE values	Dependent Variable	Mediating effects from Soble Equation	Result
TMC	0.174 / 0.0555	SMO	0.994/ 0.013	OPC	Z= 10.721 P = 0.000	Mediator
ITK	0.505 / 0.501	SMO	0.994/ 0.013	OPC	Z= 17.669 P = 0.000	Mediator

The mediating effect of the openers of social media (SMO) is 10.721 and 17.669 for the relationship between competitive factors of organizational performance (OPC) with the top management commitment (TMC) and IT Knowledge respectively.

**Table 6:** Mediating Effect Of Shearing Of Social Media (SMS) For Human Skill And Competitive Advantages

Independent Variable	B and SE values	Mediating Variable	B and SE values	Dependent Variable	Mediating effects from Soble Equation	Result
ITK	0.920 / 0.243	SMS	0.255/ 0.084	OPI	Z = 7.577 P = 0.000	Mediator
ITK	0.920 / 0.0243	SMS	0.271/ 0.094	CSD	Z = 7.356 P = 0.000	Mediator
ITK	0.920 / 0.0243	SMS	0.594/ 0.081	CSC	Z= 10.300 P = 0.000	Mediator

The mediating effect of the shearing of social media (SMS) is presented in Table 4.60. The mediating effect of shearing of social media is 7.356 for the relationship between the customer satisfactions on distribution (CSD) and IT Knowledge (ITK). Furthermore, mediating effect of shearing of social media is 10.300 for the relationship between the customer satisfactions on communication (CSC) and IT Knowledge. Furthermore, the mediating effect of shearing of social media is 7.577 for the relationship between the internal factors of organizational performance (OPI) and IT Knowledge (ITK).

**Table 7:** Mediating Effect Of Peering Of Social Media (SMP) For Human Skill And Communication On Customer Satisfaction (CSC)

Independent Variable	B and SE values	Mediating Variable	B and SE values	Dependent Variable	Mediating effects from Sobel Equation	Result
ITK	0.611/ 0.0372	SMP	0.244/ 0.080	CSC	Z= 4.976 P= 0.000	Mediator

The mediating effect of the peering of social media (SMP) is presented in Table 4.61. The mediating effect of the peering of social media is 4.976 for the relationship between the customer satisfactions on communication (CSC) and IT Knowledge respectively.

**Table 8:** Mediating Effect Of Peering Of Social Media (SMP) For Human Skill And Transaction On Customer Satisfaction (CST)

Independent Variable	B and SE values	Mediating Variable	B and SE values	Dependent Variable	Mediating effects from Sobel Equation	Result
ITK	0.611 / 0.0372	SMP	0.229/ 0.089	CST	Z = 4.583 P = 0.000	Mediator

The mediating effect of the peering of social media (SMP) is further presented in Table 4.62. The mediating effect of peering of the social media is 4.583 for the relationship between the customer satisfactions on transaction (CST) and IT Knowledge respectively.

## VI. DISCUSSION

These findings are in agreement with the argument made by Colbert, 2004; Jacobs, 2009; Kluemper and Rosen, 2009 from their studies in human skill and social media that mediate the relationship between the human skill and competitive advantage in the hotel industry. Furthermore, the top management commitment as a human skill makes a positive relationship with the organizational performance in which this study confirms that the human skill is a vital factor in focusing on the relationship between the competitive advantages and technology adoption. These findings would help to change and develop the organizations. Therefore, this study empirically by identifying substantially supporting evidence on the significance of the social media utilization mediating the relationship for human skill and the competitive advantage in star hotels in Sri Lanka.

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