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Effect of staff competence on customer loyalty in the hospitality industry in Sri Lanka

Rasika Lakshan Gunawardana, Janaka Rumesh Gamlath [*] and Dillina Herath

School of Business, ESOFT Metro Campus, Sri Lanka.

Abstract

This research investigates the relationship between staff competence and customer loyalty within the Sri Lankan hospitality industry. This study addresses a critical gap in understanding how skilled and professional service personnel impact guest satisfaction and long-term patronage. Simple random sampling was utilized to gather data from the 384 respondents using a survey questionnaire. Five independent variables were identified from literature which are staff knowledge, staff skills, staff attitudes, staff friendliness and staff responsiveness. All five variables exhibited positive correlations with customer loyalty and significant association with customer loyalty. According to the findings, staff competence is vital in encouraging customer loyalty within the Sri Lankan hospitality industry. The recommendations include that hoteliers prioritizing employee development and cultivating a service-oriented culture can create lasting bonds with their guests, contributing to long-term business success. This research provides valuable insights for academics and industry practitioners to explore further and strengthen the crucial link between service quality and customer loyalty in the dynamic Sri Lankan market.

Keywords: Staff competence; Customer loyalty; Hospitality; Sri Lanka

1. Introduction

The hospitality industry in Sri Lanka significantly contributes to the nation's economy, generating billions of dollars in revenue each year. Industry is also a key employer, providing jobs for hundreds of thousands of people. The success of the hospitality industry relies on several factors, including the quality of the services provided, the facilities offered, and the competence of the staff. Staff competence is essential in the hospitality industry, as the staff interacts with customers daily. Competent staff can provide customers with the information and assistance they need, resolve problems, and make their stay enjoyable. Loyal customers are more likely to return to the same hotel or resort repeatedly and more likely to recommend the hotel or resort to others. Several factors can influence customer loyalty, including the quality of the service provided, the value for money offered, and the overall customer experience. This research will investigate the effect of staff competence on customer loyalty in the hospitality industry in Sri Lanka. The study will focus on the research question "Does staff competence influence customer loyalty?" The findings of this research project will provide valuable insights for hospitality businesses in Sri Lanka. The research will help companies identify the critical dimensions of staff competence that are most important to customers, and it will also guide how to train and develop staff to improve customer loyalty.

According to Abdullah and Othman (2019), Hospitality organizations have faced intense competition for many decades, and this trend is likely to continue in the coming years. Anwar and Abdullah (2021) state that in the current competitive hospitality industry, maintaining a reputation for providing services that meet or exceed guest expectations is essential for success and survival. This is because customer satisfaction is the foundation of repeat business. Given that the Sri Lankan hospitality industry is a significant source of national income, it is crucial to understand the link between staff competence and customer loyalty. Anwar and Shukur (2015) explain that hotel staff are a vital factor in a business's

[*] Corresponding author: Janaka Rumesh Gamlath

success, as they are the primary providers of services to guests. For instance, when the staff fails to deliver the expected service quality, it will negatively impact guests' loyalty. On the contrary, Sultan et al. (2020) assert that if hotel staff can deliver exemplary service to their guests, guests will have a positive experience and might return. As the industry experiences growth and competition, the quality of customer service becomes a crucial factor in determining the success of hospitality establishments. More research is needed on the specific impact of staff competence on customer loyalty in the Sri Lankan hospitality industry. While there is a consensus that staff competence is essential for customer satisfaction and loyalty, little research has examined this relationship in the Sri Lankan context. Therefore, it is necessary to investigate how the competence of staff members influences customer perceptions, satisfaction, and, ultimately, their loyalty to the establishments they visit.

Aims and Objectives

The research aims to investigate and understand the relationship between staff competence and customer loyalty in the hospitality industry in Sri Lanka.

The specific objectives of the research are,

- To examine the relationship between staff competence and customer loyalty.
- To identify the dimension of most important staff competence for customer loyalty.
- To develop recommendations for improving staff competence and customer loyalty in the Sri Lankan hospitality industry.

2. Literature review

2.1. The Hospitality Industry in Sri Lanka

In the aftermath of the COVID-19 pandemic, the hospitality industry in Sri Lanka faced unprecedented challenges that significantly impacted its robust pre-pandemic growth. Before the global health crisis, the sector played a vital role in the country's economy, contributing substantially to revenue generation and employment. According to the SLTDA 2018 report, the industry achieved remarkable milestones by generating a substantial US$ 4.4 billion in revenue and providing employment to over 200,000 individuals. The increasing influx of tourists predominantly fueled the growth trajectory of the hospitality industry, showcasing Sri Lanka as an attractive and burgeoning destination. However, the advent of the COVID-19 pandemic precipitated an abrupt and profound downturn, compounded by the subsequent global recession, which dealt a final blow to the hospitality industry. As Arachchi and Gnanapala (2020) state, COVID-19 has brought the global tourism industry to a grinding end. With worldwide travel restrictions and lockdowns, the hospitality sector in Sri Lanka was forced to come to a virtual standstill, leading to a cascade of adverse effects. According to Khandre (2022), the economic crisis and subsequent recession worsened the already formidable challenges the tourism sector faces, particularly the hospitality industry. Further, Sultana (2022) states that the current foreign exchange crisis, high inflation, and the shortage of essentials such as fuel and gas have inflicted heavy damage on what was to be a recovering tourism industry. Despite the daunting challenges, there are optimistic prospects for the post-COVID-19 era. As global vaccination efforts progress and travel restrictions ease, the hospitality industry in Sri Lanka is expected to recover gradually. USDS 2023 report state that tourism, which recorded a severe blow due to the 2019 Easter attacks and COVID-19, gradually began recovering at the end of 2022. Though battered by the COVID-19 pandemic and economic crisis, the hospitality industry in Sri Lanka harbors a resilient spirit as it charts a path toward resurgence. As UNDP 2021 report suggests, reviving tourism presents a unique opportunity to reshape the industry sustainably, prioritizing responsible development, empowering workers, resource protection, and resilience to future challenges. This aligns perfectly with Sri Lanka's anticipated resurgence driven by increasing tourism arrivals and a growing demand for novel offerings. The industry's capability to adapt to evolving consumer preferences, embrace digital technologies, and prioritize safety measures will be crucial in securing a resilient and sustainable future. Therefore, strategic adaptation and a renewed focus on quality services and innovation will likely be pivotal in ensuring Sri Lanka's hospitality sector not only rebounds but thrives in the years to come.

2.2. Staff knowledge and customer loyalty

According to Pereira et al. (2016), tacit knowledge about customers represents a resource that promotes customer loyalty and, thus, a powerful potential source of competitive advantage. Staff knowledge in the hospitality industry is a multifaceted asset encompassing a broad spectrum of information, expertise, and awareness employees possess. This knowledge extends beyond merely understanding the services and facilities hotels offer; it includes a comprehensive awareness of the industry landscape, local attractions, and cultural nuances. This collective knowledge enhances the

overall guest experience and ensures customer satisfaction. However, as highlighted in previous studies, including the findings of Zareie and Navimipour (2016), the significance of staff knowledge cannot be overstated in the context of organizational competitiveness. On the other hand, Thaichon et al. (2014) argue that satisfactory service performance is essential to develop and maintain customer loyalty.

Furthermore, the ability of hotel staff to recommend local attractions based on customer interests adds a personalized touch to the guest experience. This helps guests make the most of their stay and showcases the staff's commitment to ensuring a memorable visit. In a destination like Sri Lanka, where the richness of culture is a significant draw for tourists, staff members who can informatively and engagingly explain aspects of Sri Lankan culture contribute to a deeper and more meaningful guest experience. Quach et al. (2021), state that customers often share knowledge of service performance, different levels of firm treatment and innovation among their community. In an industry where customer satisfaction is a crucial determinant of success, the investment in staff knowledge emerges as a strategic imperative. Al-Hakim et al. (2019) state that training and development that can benefit employees influence satisfaction and loyalty. This knowledge-driven approach aligns with the evolving expectations of modern travelers, who increasingly seek authentic and immersive experiences during their hotel stays. As hotels in Sri Lanka and worldwide compete for guest loyalty, the role of well-informed and knowledgeable staff becomes even more pronounced in creating a lasting and positive impression on guests.

2.3. Staff skills and customer loyalty

Staff skills in the hospitality industry extend far beyond technical competencies they encompass a holistic set of abilities essential for creating memorable guest experiences. The starting point is the ability to perform job-related tasks effectively and efficiently. As highlighted by Worlikar and Aggrawal (2017), organizations in the hospitality sector need to invest considerable effort in developing competence models that identify the crucial skills necessary for future success and competitiveness. The significance of staff skills becomes particularly evident when considering the impact on customer loyalty. Handling guest requests, resolving issues promptly, and demonstrating problem-solving abilities are integral aspects of staff skills that directly influence customer satisfaction and loyalty. According to Abas and Imam (2016), being more competent in thinking and problem-solving skills provides employees with more benefits in performing contextual behaviour. The assertion by Jones and Shandiz (2015), that the ability of employees to understand customer emotions and expectations profoundly affects interactive behaviours further underscores the importance of staff skills in the hospitality context. In the competitive hospitality industry landscape, where guest experiences are central to success, staff members must go beyond fulfilling basic job requirements. The ability to exceed guest expectations, adapt to diverse guest needs and situations, and showcase problem-solving acumen becomes a distinguishing factor for hotels aiming to stand out. The essence of staff skills is illuminated when employees seamlessly translate guest requests into flawless execution. Whether navigating challenges with effective solutions or applying technical skills with a genuine smile, skilled staff members contribute significantly to guest satisfaction. Hence, de Waal and van der Heijden (2016) state that high-performance organizations consistently prioritize delivering optimal customer service by ensuring employees engage with customers to satisfy them and cultivate loyalty.

2.4. Staff attitude and customer loyalty

Staff attitude refers to employees' demeanor, friendliness, and overall behavior towards customers. It encompasses aspects such as empathy, politeness, and a cheerful disposition. Itani and Inyang (2015) state that empathy is regarded as an essential element for fruitful employee and customer communications that commonly lead to altruistic motivation and pro-social and altruistic behavior, particularly in the literature concerning service. According to Beal (2016), while understanding an employee's attitude towards an organization can be challenging, authentic leadership, which emphasizes open communication, valuing employee input, and mutual trust, can significantly shape employee attitude. Therefore, the managers are positioned to create a positive work atmosphere for employees, where they would go above and beyond to treat their guests. Stock (2016) asserts that service employees' customer-oriented behavior is essential for service encounters' success and increasing customer satisfaction and loyalty. Guests are likelier to return and recommend the hotel if they interact positively with staff members. According to Wang et al. (2016), research demonstrates that customers do not consider loyalty as a one-way development but a responsive two-way interaction. This highlights the importance of enthusiastic hotel staff providing excellent customer service courteously and respectfully. This finding underscores the importance of cultivating a welcoming and friendly atmosphere within the hotel. A simple inquiry of "How can I help?" is a polite formality and a delicate brushstroke painting a welcoming scene, where the anticipation of guests' needs mingles with genuine care. It is the difference between a transaction and a treasured memory. When staff become architects of welcome, crafting experiences that resonate with warmth and empathy, they transform a hotel into a sanctuary where weary travelers find comfort and a sense of belonging. Each thoughtful gesture and proactive offer of assistance becomes a brick in the foundation of guest loyalty. It is not just

about fulfilling requests but about anticipating them and exceeding expectations. This indicates that a positive staff attitude is crucial to customer loyalty in the hospitality industry.

2.5. Staff friendliness and customer loyalty

Dortyol et al. (2014) assert that friendly, courteous and helpful employees are the main predictors of guests' willingness to recommend a hotel. Staff friendliness in the hospitality industry is a pivotal element that directly influences the guest experience and plays a crucial role in building emotional connections between guests and the hotel. As Taylor (2017) noted, successful service-oriented firms recognize the importance of investing significant resources in training their employees to exhibit friendly behaviors. This includes greeting, thanking, and smiling during customer interactions, highlighting the strategic value of creating a positive and welcoming atmosphere. The impact of staff friendliness on customer loyalty is profound. Several key aspects of staff friendliness contribute to its positive influence on customer loyalty. Simple gestures, like eye contact and a smile, can produce an immediate sense of connection and rapport. These non-verbal cues communicate a genuine interest in the guest's well-being and contribute to the overall perception of the hotel as a hospitable and customer-focused establishment. Moreover, warm and friendly interactions, where hotel staff go beyond standard procedures to show genuine interest in guests, are crucial in influencing loyalty. Ryu and Lee (2017) state that preferential offerings make customers feel privileged, significant, and valued. When guests feel acknowledged, respected, and cared for, they are more likely to develop a positive emotional connection with the hotel, which, in turn, translates into loyalty. Budur and Poturak (2021), assert that customer perception of employees' performance is a crucial factor in the long-term effectiveness of the organizations. In the competitive hospitality industry, where guests have numerous choices, staff friendliness becomes a differentiating factor.

2.6. Staff responsiveness and customer loyalty

According to Limna and Kraiwanit (2022), responsiveness refers to employees' willingness to assist customers and provide prompt service. Al-Ababneh et al. (2018) state that it is conveyed to clients when they need to wait for a reply to inquiries. Meesala and Paul (2016) discovered that the level of responsiveness directly influences patients' satisfaction, which, in turn, correlates with their loyalty to the hospital. According to Ismail and Yunan (2016), the relationship between responsiveness and customer satisfaction is significant, underscoring the importance of swift and effective responses in shaping the overall guest experience. As Anwar and Qadir (2017) highlighted, providing prompt and attentive customer service is not just a matter of convenience but a critical strategy to prevent customer requests from escalating into complaints. Staff responsiveness is a crucial determinant of customer loyalty, as guests are more likely to forgive minor issues when they experience quick and efficient resolution from the hotel staff. The impact of staff responsiveness on customer loyalty is evident in various scenarios within the hotel setting. Prompt responses to guest requests, whether for additional amenities or information, directly influence the perception of the hotel's commitment to guest satisfaction. This, in turn, contributes to positive guest experiences and their likelihood of returning. Efficient problem resolution by hotel staff is another crucial aspect of responsiveness that significantly influences customer loyalty. According to Kanyama et al. (2022), hotel customer loyalty was found to be significantly related to perceived responsiveness in service quality. Valuing and prioritizing guests' needs and requests are integral to staff responsiveness.

2.7. Conceptual Framework
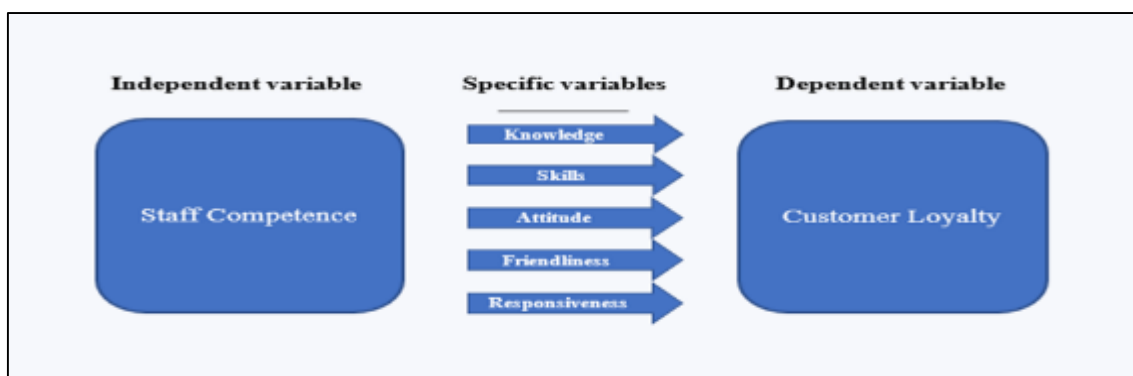
Source: Authors developed (2024)

Figure 1 Conceptual Framework

2.7.1. Hypothesis development

- H01: The knowledge of staff has no positive effect on customer loyalty.
- H02: The skills of staff have no positive effect on customer loyalty.
- H03: The attitude of staff has no positive effect on customer loyalty.
- H04: The friendliness of staff has no positive effect on customer loyalty.
- H05: The responsiveness of staff has no positive effect on customer loyalty.

3. Research methodology

This research was conducted from a positivist epistemological framework. The researcher has adopted a positivist philosophy to establish a cause-and-effect relationship between staff competence and customer loyalty. Saunders et al. (2019) explain that quantitative research uses numbers and statistics to collect and analyze data. According to Bryman (2016), using quantitative data and empirical evidence is essential for positivist research it allows researchers to test their hypotheses and theories rigorously and objectively. The epistemological assumption of the study is that knowledge about the relationship between staff competence and customer loyalty can be obtained through empirical research. The researchers in this study has used deductive reasoning to test the hypothesis that a relationship exists between staff competence and customer loyalty. Creswell (2018) asserts that deductive reasoning is a powerful tool for testing hypotheses. It allows researchers to test their ideas systematically and objectively. This is essential for establishing cause-and-effect relationships. A questionnaire strategy was used to collect data for this project. The questionnaire was distributed to to a sample of guests who have stayed at Sri Lankan hotels in the past year. The population for this research was customers from local and foreign countries who had stayed in hotels in Sri Lanka in the past year. A random sampling method was used to select the participants to acquire a diverse perspective. The resultant sample of 384 respondents, drawn from a population exceeding 3 million, achieved a 95% confidence level and 5% margin of error, ensuring generalizability and acceptable variability within the study. The sample was selected based on their knowledge and experience of the relationship between staff competence and customer loyalty. The sample was stratified by hotel type (e.g., luxury, resort, budget) and customer nationality. The questionnaire asked guests to rate their perceptions of the competence of the staff they interacted with and their satisfaction with the level of service they received. The results of the analysis were used to test the hypotheses that have been developed for the research. The researcher has chosen the mono method to collect data. This made it easier to manage and analyse the data. It is effective if the survey is well-designed and the data is collected accurately. The data was analyzed using statistical methods. The study used a cross-sectional time horizon. This made the data collection relatively quick and easy to conduct. The researcher did not need to collect data over time, which can be time-consuming and expensive.

4. Data analysis

4.1. Reliability Testing

Table 1 Cronbach's Alpha for all Five Independent Variables

Reliability Statistics	
Cronbach's Alpha	N of Items
0.947	20

According to Table 1, Cronbach's alpha for all five Independent Variables with twenty items is 0.947. This value is considered **highly reliable its internal consistency demonstrates a strong coherence among its items, meeting the 0.7 threshold.**

4.2. Correlations between the independent variables and customer loyalty

Table 2 Correlation Analysis

Variable	Pearson Correlation	Sig. (2-tailed)
Staff knowledge	0.405**	<0.001
Staff skills	0.379**	<0.001

Staff attitude	0.365[**]	<0.001
Staff friendliness	0.445[**]	<0.001
Staff responsiveness	0.403[**]	<0.001

Above table of correlation analysis emphasize a positive relationship between staff knowledge, staff skills, staff attitudes, staff friendliness, staff responsiveness and customer loyalty in hospitality industry by having a correlation coefficient (R-value) above 0.300 for all the variables.

4.3. Hypothesis Testing

Table 3 Hypothesis Testing

Null-Hypothesis	Pearson Chi-Square Value	df	Asymptotic Significance (2-sided)	Status
The knowledge of staff has no positive effect on customer loyalty.	734.861[a]	168	<0.001	Rejected
The skills of staff have no positive effect on customer loyalty.	615.823[a]	144	<0.001	Rejected
The attitude of staff has no positive effect on customer loyalty.	575.553[a]	156	<0.001	Rejected
The friendliness of staff has no positive effect on customer loyalty.	635.817[a]	144	<0.001	Rejected
The responsiveness of staff has no positive effect on customer loyalty.	825.152[a]	156	<0.001	Rejected

As the above table demonstrate, all five variables had a p value of 0.001 which is less than 0.05 alpha value meaning there is a significant association between the variables. Therefore, all five null hypotheses are rejected since there is a significant association between knowledge of staff, skills of staff, attitudes of staff, friendliness of staff and responsiveness of staff with customer loyalty.

5. Discussion

5.1. Relationships between staff knowledge and customer loyalty

The Pearson correlation coefficient of 0.405 suggests a moderately positive relationship between staff knowledge and customer loyalty. The findings are further bolstered by the chi-square test of independence, which yielded a significant association (p-value < 0.001), leading to rejecting the null hypothesis and accepting the alternative that staff knowledge significantly impacts customer loyalty. Numerous studies, as evidenced by the literature review, underscore the positive correlation between staff knowledge and customer perception. Khan and Fasih (2014) state that the process of acquired knowledge being showcased by staff in executing their term of preferences during service delivery can be highly assuring to customers. Echoing this sentiment, Minh et al. (2015) underscore the critical role of service quality in shaping customer satisfaction, particularly in the context of hotels. Their research reveals a strong correlation between the two, highlighting how well-trained and knowledgeable staff contribute to a more positive service experience. Moghavvemi et al. (2018) build upon this notion, emphasizing the direct impact of staff knowledge and competency on overall service quality. Employees who deeply understand products, services, and company policies exude confidence and professionalism, leading to a superior customer experience. Further solidifying this connection, Paul et al. (2016) pinpoint product knowledge and swift service delivery as critical drivers of positive customer experiences. They argue that customers perceive knowledgeable and efficient staff as more competent and trustworthy, laying the foundation for initial trust and satisfaction. Ultimately, hotels with service-savvy staff who can skillfully address customer needs foster positive first impressions and cultivate loyal customers through consistent quality and reliable expertise. The empirical analysis confirmed the alternative hypothesis, demonstrating a positive relationship between staff knowledge and customer loyalty. This aligns with the literature review, which suggests that knowledgeable staff positively influence customer satisfaction and loyalty, making them more likely to choose a hotel with informed employees. Therefore, the first research question, "What is the relationship between staff knowledge and customer loyalty?" can be answered definitively that a significant positive relationship exists.

5.2. Relationships between staff skills and customer loyalty

Analysis revealed that each facet positively influenced customer loyalty. As the mean value exceeds 4, with the majority agreeing with the statements, standard deviations are less than 1, and Pearson's correlation coefficient of 0.379, indicates a moderate positive relationship. Additionally, the chi-square test of independence confirmed a significant association between staff skills and customer loyalty (p < 0.001), rejecting the null hypothesis and strengthening the evidence for a positive influence. Drawing key insights from literature review, which emphasizes the essential role of staff skills in building customer loyalty. Goad (2014) observes that attentive listening impacts customer loyalty. Pires (2023) explored deeper, highlighting how skillful employee interaction fosters a sense of comfort and satisfaction throughout the customer journey. This aligns with Ali et al.'s (2018) assertion that true service excellence lies in equipping employees with essential skills like empathy, communication expertise, and an unwavering commitment to exceed expectations. As Voorhees et al. (2017) emphasize, these skills are vital for organizations to truly understand their customers' service experiences and thrive in a competitive landscape. Islam et al. (2019) conclude that prioritizing service quality leads to a positive ripple effect, fostering customer engagement and loyalty, which are the cornerstones of organizational success. The empirical analysis confirmed the alternative hypothesis, demonstrating a positive relationship between staff skills and customer loyalty. This aligns with the literature review, suggesting that hotels with skilled staff experience greater customer satisfaction and loyalty. Findings revealed that completing requests quickly yielded a mean score of 4.41 with a low standard deviation, indicating substantial agreement with their positive impact on customer loyalty. Further strengthening this association, the Pearson correlation coefficient of 0.379, indicating a moderate positive relationship and the statistically significant chi-square test result (p < 0.001) reinforced the positive influence of staff skills on customer loyalty. Therefore, in answer to the second research question, a significant positive relationship exists between staff skills and customer loyalty. This conclusively fulfils the study's objective of investigating this connection.

5.3. Relationships between staff attitude and customer loyalty

The results indicate that each of the four dimensions of staff attitude positively influences customer loyalty. This conclusion is supported by the mean values for each statement exceeding 4, suggesting agreement with the positive impact of staff attitude on loyalty. Additionally, the standard deviations remain close to 1, revealing that the data points cluster near the mean value. Furthermore, the Pearson correlation coefficient of .365 signifies a moderate positive correlation between staff attitude and customer loyalty. Finally, the chi-square test of independence yielded a remarkable relationship between the two variables (p<.001), confirming the alternative hypothesis and rejecting the null hypothesis of no association. Therefore, the research proves that a positive staff attitude significantly fosters customer loyalty. Chang et al. (2014) state that employee attitude and social interaction between employees and customers contribute to customers' positive emotional responses. Lee et al. (2018) further emphasize the importance of positive employee attitudes, arguing that their warmth and genuineness foster a sense of closeness with customers, ultimately leading to increased customer satisfaction. This reinforces the notion that emotional connections fostered by engaging employees are crucial drivers of loyalty. In support of this claim, Xin and Choi (2020) conducted research in the hospitality industry, demonstrating that hotels with more positive employee service attitudes consistently achieve higher levels of service quality. This suggests that a positive employee mindset directly translates to improved service delivery, strengthening the link between employee engagement and customer satisfaction. Finally, Han and Hyun (2017) solidify this chain reaction by asserting the direct influence of service quality on customer satisfaction and loyalty. They highlight that when positive employee attitudes lead to enhanced service quality, customers are more likely to be satisfied and develop a loyal relationship with the brand. The empirical analysis of the staff attitude variable supported the alternative hypothesis, indicating a moderate positive relationship between staff attitude and customer loyalty. This finding aligns with extant literature, suggesting that staff attitude can positively and negatively influence customer loyalty. Moreover, hotels prioritizing cultivating positive staff attitudes will likely foster greater customer loyalty. Consequently, the research question, "What is the relationship between staff attitude and customer loyalty?" can be answered as follows: A statistically significant positive relationship exists between these two variables. This conclusion is grounded in the present study's substantial findings and corroborated by previous research findings. Therefore, the third research objective of this investigation, to investigate the relationship between staff attitude and customer loyalty, has been successfully achieved.

5.4. Relationships between staff friendliness and customer loyalty

The Pearson correlation coefficient of .445 indicates a moderate positive relationship between staff friendliness and customer loyalty. The chi-square test of independence further supported this relationship, yielding a statistically significant p-value of .001, thus rejecting the null hypothesis and suggesting a non-random association between the variables. Investing in friendly staff interactions leads to greater customer loyalty, according to the findings in chapter two, with many authors agreeing on this point. Yulisetiarini (2014) identifies restaurant staff as the linchpins of

customer satisfaction. Their friendly greetings, accurate information and empathetic understanding, enhance the dining experience and ensure it meets or exceeds expectations. This emphasis on staff behavior resonates with Chen's (2015) definition of service quality, which underlines the importance of politeness, friendliness, courtesy, prioritizing customer needs, and meticulous attention to detail. In essence, consistent, high-quality performance, as Castillo (2018) emphasizes, especially regarding friendliness, significantly impacts customer satisfaction. This aligns with Awwad's (2014) observation that friendly interactions that create a sense of social comfort and regard can improve satisfaction and loyalty. Ultimately, as Panday and Nursal (2021) confirm, service quality, characterized by these positive staff behaviours and consistent performance, exerts a positive and significant influence on customer loyalty, ensuring not just satisfied customers but loyal patrons who keep coming back. The empirical analysis affirmed the alternative hypothesis, demonstrating a moderate positive relationship between staff friendliness and customer loyalty. This aligns with extant literature, which suggests that staff friendliness positively impacts customer loyalty. Employing staff friendliness as a core value can be considered a strategic approach for hotels to foster loyalty and secure repeated engagement. To definitively answer the research question, "What is the relationship between staff friendliness and customer loyalty?" both the significant findings of this study and the insights obtained from the literature review were considered. Consequently, the final research objective, investigating the connection between staff friendliness and customer loyalty, has been successfully addressed.

5.5. Relationships between staff responsiveness and customer loyalty

The Pearson correlation coefficient of .403 reveals a moderate positive relationship between staff responsiveness and customer loyalty. The chi-square test of independence further corroborated this connection, yielding a statistically significant p-value of .001. This statistically significant result allows us to reject the null hypothesis and conclude that a non-random association exists between the variables. The link between staff responsiveness and customer loyalty is underscored by many authors in the chapter two literature review. In line with Agarwal and Dhingra's (2023) assertion that responsiveness significantly impacts service quality, Tung et al. (2017) emphasize that exceeding customer expectations through employee behavior is crucial for a successful customer experience. As Korach (2023) points out, this responsiveness fosters trust and loyalty, with prompt attention to concerns leading to repeat business and positive recommendations. Barnes et al. (2019) further solidify this connection, highlighting the link between positive staff behavior, such as helpfulness, flexibility, and personalization, and favorable customer perceptions of service quality. Therefore, by prioritizing responsiveness and exceeding expectations through employee behavior, companies can cultivate loyal customers who become vocal advocates for their brand. The empirical analysis of staff responsiveness confirmed the alternative hypothesis, demonstrating a moderate positive relationship with customer loyalty decisions. This aligns with extant literature indicating that staff responsiveness positively influences customer loyalty. Therefore, prioritizing staff responsiveness can be a strategic tool for businesses like hotels to foster loyalty and secure repeated engagement. To definitively answer the research question, "What is the relationship between staff responsiveness and customer loyalty?" both the key findings of this study and insights from the literature review were considered. Consequently, the research objective of investigating the connection between staff responsiveness and customer loyalty has been successfully addressed.

Recommendations

These recommendations align with the research's aim of investigating the relationship between staff competence and customer loyalty in the hospitality industry in Sri Lanka, while also fulfilling the objective, outlined in Chapter One, of providing recommendations for improving staff competence and customer loyalty. Therefore, recommendations include targeted training programs in areas like guest interaction, active listening, conflict resolution, quick responses, and cultural sensitivity. Annamalah et al. (2023) argue that in today's competitive hospitality landscape to be competitive, companies must hire the finest people, train them, and provide them with knowledge. By strengthening recruitment processes to prioritize relevant skills and service excellence aptitude, hotels can unlock the significant potential identified in the study: a strong correlation between perceived staff competence and customer loyalty in the context of Sri Lankan hospitality industry. This translates to increased guest satisfaction, positive reviews, and ultimately, a competitive edge in the vibrant Sri Lankan hospitality industry.

6. Conclusion

This research investigates the effect of staff competence on customer loyalty within the Sri Lankan hospitality industry. Its primary objective is to make SMART recommendations for the hospitality industry, enabling it to enhance customer retention and loyalty through strategic recruitment practices and staff development programs. A comprehensive literature review identified five key factors (independent variables) influencing customer loyalty, which were chosen for in-depth analysis. The study aimed to elucidate the relationships between these factors and customer loyalty while proposing evidence-based recommendations for industry improvement. Data was collected leveraging a quantitative

approach, a multi-faceted questionnaire. Subsequent analysis using IBM SPSS revealed that all five independent variables exhibited mean values between 4.05 and 4.41 according to the descriptive statistic data. This indicates that, on average, participants viewed those variables as having a moderately positive to substantial impact on customer loyalty.

Furthermore, the standard deviations fell within the range of 0.57 to 0.65, indicating moderate response variability. This means that while there was a general agreement trend, there were still some individual differences in opinions about the impact of these variables. Overall, this analysis provides insights into the central tendency and variability in participants' perceptions of the effect of the independent variables on customer loyalty.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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