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Sustained Performance through Entrepreneurial Leadership and People Management: Case Study of a Hotel

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Abstract: The hotel industry in Sri Lanka is one of the country's most important foreign-income generators. In this regard, Rajarata Hotels in Anuradhapura is one of the city's largest hotels, with over a hundred rooms. The hotel opened in 1970 and was incorporated in 1974. As a result of the hotel's refurbishment, significant changes occurred after new management took over in 2013. Rajarata Hotels Ltd.'s consistent performance is evident from both a financial and non-financial perspective. The authors cited numerous research articles to articulate the theoretical underpinnings of sustained performance-financial performance is defined in this study in a variety of ways, and it is linked to monetary aspects such as profitability and revenue, as well as other elements such as organisational volume, employee attraction, adaptability, employee attitude, and organisational culture. However, in this study, sustained performance is examined from a non-financial standpoint, alongside continuous growth, which is influenced by the company's management and employees' skills and capabilities. It is directly related to achieving sustained performance. Most importantly, the study identifies three key motivators: demonstrating entrepreneurial leadership, creating value, and implementing people management strategies, all of which result in sustained performance. To keep the focus on the case study, a conceptual framework was established. Aside from secondary sources, the authors conducted 10 in-depth interviews, six diverse focus group discussions based on a structured interview guide, and direct observations of hotel staff to support and validate study findings. The study findings will be useful for future research, and other hotels can apply the practical implications to their operations. At the same time, leadership styles can be varied with the different personalities of the leaders having for their organizations.

Keywords: *Entrepreneurial Leadership, People Management, Sustained Performance, Value creation*

Introduction

Hospitality is a broad field of study within the service industry. Lodging, food and beverage services, event planning, theme parks, travel, and tourism are all part of the hospitality industry. It consists of tourist offices, hotels, restaurants, and bars. These hospitality industry services are primarily concerned with recreation and customer satisfaction. Hospitality is the industry that provides primary foods, services, and lodging in the form of hotels, resorts, conference centres, and other theme parks, among other things. The hospitality industry exists to provide customers with a pleasurable experience. Unlike other service industries, the hospitality industry deals with customer satisfaction and leisure. The hospitality industry is a multibillion-dollar industry that depends on the availability of leisure time, disposable income, and complete customer satisfaction. The hospitality industry is a broad category of fields within the service industry that includes lodging, food and drink services, restaurants, and event planning. Hotels are taking an important place in the hospitality industry.

The Hotel Industry in Sri Lanka is one of the largest foreign income-generating industries in Sri Lanka. Undoubtedly, it is very important to find a well-run hotel in a city of great sacred value. Despite the huge obstacles in the most valuable sacred area among the districts in Sri Lanka, the maintenance of this hotel will undoubtedly arouse great interest in finding out about it. 2015-2020 was not a good time for the hotel industry. Rajarata Hotels in Anuradhapura is one of the largest hotels in the city, with over a hundred rooms. The hotel was started in 1970 and incorporated in 1974. Once new management took over the hotel, significant changes occurred due to refurbishment in 2013. Rajarata Hotel is a public limited company. Nevertheless, it still retains its historical and cultural vibes, though it is equipped with modern amenities and facilities. The much-desired Rajarata Hotel is located in the sacred city of Anuradhapura. Anuradhapura is one of the most popular sacred places in Sri Lanka. It is an important and popular destination for its rich culture, key places of worship, many shrines, ruins, and artifacts that relate to fascinating tales of a bygone not only from foreigners but also from local guests as well. Demand is spread throughout the year.

Theme of the Case Study

'Sustained performance through entrepreneurial leadership – Rajarata Hotels Ltd' has been identified as the theme of the case study. Entrepreneurial leadership has often been associated with the performance of the organization. Entrepreneurial leadership is particularly relevant to risk-taking and innovation to sustain the mark marketplace result, this topic is of interest to entrepreneurs, social scientists, hotel chain stakeholders, and humanities scholars. In terms of incorporating this topic into the discussion of the key drivers that led to sustained performance, this study also provides practical significance to the company owners.

Objectives of the Study

Key objectives of this case study are:

i. To explain how Rajarata Hotel was able to achieve sustained performance from 2015 to 2020.
ii. To study how entrepreneurial leadership has played a vital role in this case.
iii. To explore whether the sustained performance was influenced by entrepreneurial leadership, value creation, and employee engagement.

Scope of the Study

The scope of this case study is "sustained performance." There can be many variables that impact the organizational outcome of sustained performance. Hence, attempting an in-depth analysis to identify all of these variables falls into the case study. Many factors have influenced the sustained performance at Rajarata Hotel. According to the secondary data, there are growth factors that show that the hotel has sustained performance (according to the customer review of the hotel service) and leadership. Among these many variables, three key drivers will be analysed which may have contributed to sustained performance, namely, entrepreneurial leadership, value creation, and people management. Sri Lanka is one of the paradises in the world for tourism. And Sri Lanka has ancient heritage sites that have valuable historical backgrounds accepted worldwide. Due consideration to the selected drivers of this case study, which will only consider the last six years of hotel performance.

Literature Review

Sustained Performance

Sustaining performance is not synonymous with continuous growth, but it is influenced by the skills and capabilities of the company's management and employees. Sustained performance as in any organization is achieved business performance even in navigating the changing business landscape in a proactive and agile way when the business remains true to its purpose and values over a period (Raisch et al., 2009). There are a lot of HRM practices that have an impact on how well a business runs, such as how well employees stay, how productive they are, how quickly they get things done, and how much money they spend (Paul & Anantharaman, 2003). Adaptation is one of the attributes which is required for sustained performance. Stormer et al. (2013) stated flexibility is very important to track multiple objectives of sustainable performance. Financial factors have been shown to have a significant impact on a company's investment decisions (Cleary, 1999). Decisions made at the business unit level must be consistent with the company's overall marketing strategy (Strahle et al., 1996).

Volume is one of the good denominators of sustained performance. Mackay et al. (2008) have described volume changes that could be developed in either an up or down direction. Efficiency is determining volume. Employees' efficiency is most important to increase the production volume. Cox and Krueger (1989) have argued production volume and employees' stress have a negative correlation. Revenue is one of the motivators for all stakeholders. Marsden and Richardson (1992) insisted that even in the public sector performance-related payments leads to an increase its revenue as employees are motivated to change their behavioural pattern to increase the organizational revenue. Nieman (2010) mentioned that investment in people innovation and process improvement is required to increase revenue to achieve sustained performance. Employee attraction involves getting potential candidates to view the organization as a positive place to work. Jenson et al. (2007) explained the increase in employees is one of the indicators of sustained performance.

Entrepreneurial Leadership

Entrepreneurial leadership is referring to the mindset that organizations on turning problems into opportunities that create economic and social value stated by Holweg (2008). Gupta et al. (2004) explained the importance of the financial implication of any decision in terms of business operation, competition, growth, employee growth, and export potential. Businesses must face many risks such as financial risks, interest rates risks, liquidity risks, interest risks, etc. Jorion (2007) explained financial risks arise due to failure to achieve financial objectives. The financial resource is one of the scarcest resources. In the current context, innovation has become a very important factor in relying on the market. Von Stamm (2008) has mentioned that the context of innovation helps bear mind in three ways such as design is a tangible outcome, design is a creative activity, and design is the process of transforming information into a tangible outcome. Innovation starts with the process of self-self-innovation Nonaka and Yamanouchi (1989) have discussed managing innovation as self- renewal process which needs to introduce innovation or invention to change the thinking pattern of the organizations.

Many small businesses are also equipped with the ability to respond and adapt quickly to rapidly changing economic conditions. Longenecker et al. (2013) have mentioned in small business management, all activities need to be carried out by the management and it is their responsibility of them. Small enterprises help local economies flourish by bringing growth and innovation to the community. Solomon and Fernald (1991) have discussed the importance of small businesses for a country's GDP. All can make decisions, but first, we need to take a big step before can make explained by Brockhaus (1980). Risk-taking helps and encourages new ideas, which can make a product or service unique. Sometimes, can teach the most important business lessons an entrepreneur can get from them Wallach et al. (1962). A proactive personality is a behavioural inclination to take personal initiative in establishing a favourable environment (Bateman & Crant, 1993). Husgafvel et al. (2013) have discussed the social responsibility and ethical responsibility taking place in the interesting domicile to conducting and establishing responsibility in the corporate effort in economically beneficial.

Value Creation

Value creation is more important to gain a competitive advantage. Priem (2007) mentioned value creation is giving something valuable to receive something else that's more valuable to the self. Value creation and innovation are required to win the competitive market. Xuhua et al. (2018) mentioned that some of the companies' contribution has significant determinants of Sri Lankan GDP. The value of a business was determined by its organizational culture, products, services, culture, and attributes. Woodruff (1997) defined the customer as a perceived preference, attribute performance, arising facilities, customer goals, and purpose in the given situation. Smith and Colgate (2007) explained though there are more choices of products and services in the marketplace still customer dissatisfied. Industry competition is taking place when thinking of value creation to beat the marketplace. Magretta (2011) has mentioned in the organization is a collection of activities. Market and industry differences add more value to the company. Position new products and services and look at how well current positioning strategies work.

Some industries have fierce competition. Ucmak and Arslan (2012) have discussed hotels are one of the most important sub-sectors in some industries. To gain and sustain a competitive advantage, organizations must understand their competitors and their environment. But the global competitiveness is different from the same. Isoraite (2018) has discussed that high-intensity domestic competition breeds international success. Customer relationship management (CRM) is a method of managing customer relationships by analysing massive volumes of data. Venkatesan and Kumar (2004) have mentioned that customer lifetime values come from the right customer relationship management. Differentiating refers to tailoring instruction to meet customer needs. Knudson-Martin (1996) has argued that differentiate and self-development are two different dimensions, but both need development. Customer wants are very comprehensive. Baines et al. (2007) have discussed suppliers and manufacturers able to improve their competitiveness by giving solutions to the customers which make sense to differentiate product-based offerings.

People Management

People management emphasizes the significance of an organization's culture and values, the need for knowledgeable professionals, and the relationships between human resources and performance stated by Purcell et. al (2008). An organization's relationship with its employees can be described both qualitatively and quantitatively using the term 'employee engagement.' Thisera and

Sewwandi (2018) have stated that the extent to which employees feel passionate about their jobs are committed to the organization and put discretionary effort into their work. An employee voice refers to an employee's ability to influence the direction of an organization. Walumbwa and Schaubroeck (2009) have explained about employee voice Implementation of HR practices is the most important aspect of organizational performance which draws attention to the culture and value of the organization, the professional knowledge of workers, and the link between human resources and performance stated by Purcell et al. (2008). Practices in human resources management should flow into activities in human resources management and vice versa. Many firms rely on human resources to maintain legal compliance, manage payroll, and keep workers staffed and productive.

HR practices can help organizations save time, avoid lawsuits, and improve employee communications. Paul and Anantharaman (2003) have mentioned one of the Indian software companies needed to build the intervening process connecting HRM system and organizational performance which is unexplored. Developing HR practices within the organization is a critical factor in the process of strategic moments in terms of people management. Armstrong (2019) has mentioned that strategic human resource management is the approach to developing and implementing HR strategies that are integrated with business strategies and enable the organization to achieve its goals Badaracco and Badaracco (1991) discussed the classic economics wealth of land, labor, and capital. Francis (2013) has researched these human resources practices and their impact on the strategic integration towards organizational performance. A tumultuous corporate environment can create a bewildering array of fundamental obstacles to human resource quality. Weerakkody (2010) has discussed that small businesses are playing a vital role in the country's economy.

Macro–Economic Factors in Hospitality

Economic resource mobilization that is both effective and efficient promotes long-term growth and development and is therefore essential if the economy is to achieve its maximum output. Analysis of macroeconomic variables (i.e., money supply, growth in industrial production, predicted inflation rate, the change in the unemployment rate, and yield spread) found that only money supply and the unemployment rate had a meaningful impact on hotel stock returns (Chen et al., 2005). Using data from the United States, empirical findings reveal that the hospitality stock indices mostly follow an autoregressive process and are not completely independent of several important macroeconomic variables. These hospitality stock indexes' forecast error variation is largely explained by the consumer price index, money supply, and industrial output variables (Wong & Song, 2006). At the same time, natural calamities are on the rise, and the hospitality business is expected to develop (Ward & Mattern, 2019).

There are many areas in which hospitality enterprises might be a difficult investment object, including the service and tourism markets and even property markets. A long-term investment strategy that considers both the opportunities and hazards of the hospitality business in nations where the gap between supply and demand is beneficial for investment can help prospective investors avoid missing out on potential opportunities (Dedusenko, 2017). Croatia's tourism industry is a major contributor to the country's economy. It has a tremendous impact on the country's economic growth. Macroeconomic variables are examined to see if they affect stock returns in the hospitality sector. There are four macroeconomic indicators (consumer price index, industrial output, and the exchange rate) and a stock index of Croatian hospitality enterprises that are the subject of the study (Bogdan, 2019). A mix of internal and external forces has led to an increase in macroeconomic variables such as inflation, interest rates, and foreign exchange rates. (Olweny & Omondi, 2011).

Case Framework and Methodology

The case framework describes the relationship between key drivers, moderators, and outcomes. Entrepreneurial leadership, value creation, and people management act as the key drivers which contributed to the main outcome of sustained performance. Macroeconomic factors will be acting as the moderator.

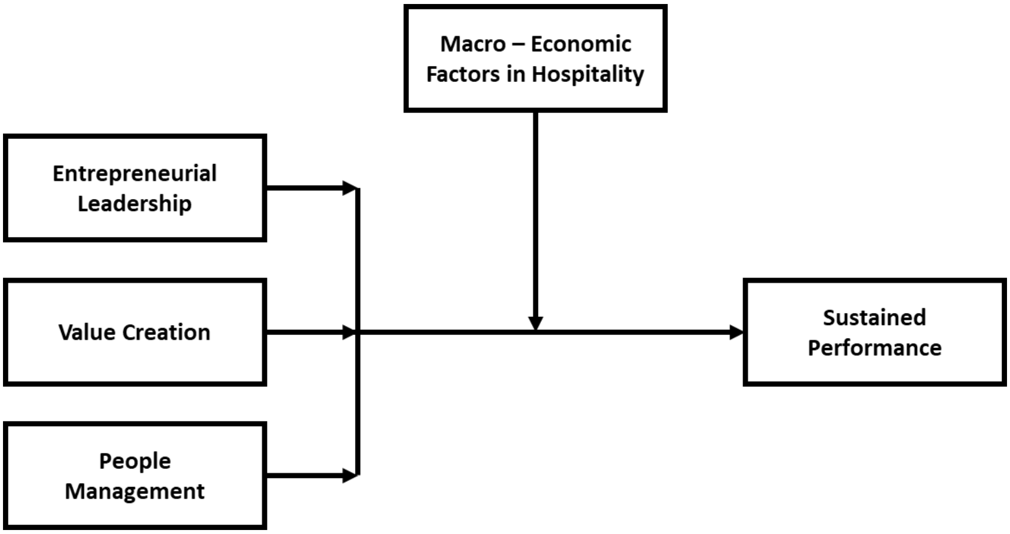

Figure 1: Case Study Framework
Source: Authors, 2022

Data Collection and Methodology

Data collection includes secondary data, in-depth interviews, focus group interviews, etc. A qualitative approach should be used. Analyses for all types of information should be logically coherent and compelling regardless of whether the material is primary, secondary, quantitative, or qualitative. Accurate in-depth interviews and data collection from four focus groups should be used in a case study. Data from publicly available firm performance metrics should also be used as further evidence. Additional evidence can be found in the form of newspaper articles, emails, and so forth.

In this case study, Rajarata Hotel's 2015-2020 performance will be explained; the function of entrepreneurial leadership will be studied, and if the outcome is influenced by the major drivers will be examined. As part of our study, we interviewed individuals who had worked at the company for a significant amount of time and had witnessed the case structure in action first-hand. Employees who worked for the company during the period in question are selected as respondents. As part of this research project, interviews will be performed both one-on-one and in groups of four (focus group discussions).

Analysis and Results

About Rajarata Hotels Ltd

Rajarata Hotels in Anuradhapura is one of the largest hotels in the city, with over a hundred rooms. The hotel opened in 1970 and was incorporated in 1974. Following the arrival of new management, significant changes occurred as a result of the hotel's refurbishment in 2013. Rajarata Hotel is a limited liability company. Nonetheless, it maintains its historical and cultural vibes despite being outfitted with modern amenities and facilities. In many ways, this hotel reflects the culture and history of its surroundings. The hotel was designed to reflect the history, culture, and elegance of the area. As a strategic decision, the hotel was built in the cultural triangle.

Rajarata Hotels Ltd has shown healthy growth in terms of financials for 2018/2019, resulting in attaining sustained performance. They were able to sustain their growth and financial performance as shown in Figures 2 and 3.

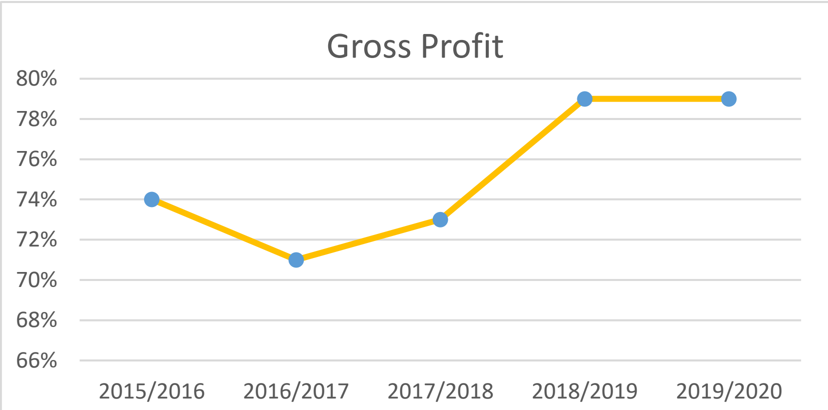

Figure 2: Gross Profit

Source: Annual Reports, Rajarata Hotels Ltd. (2021)

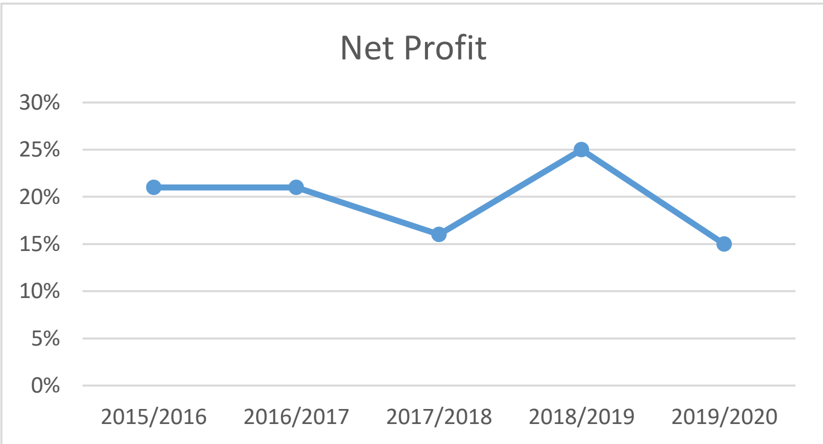

Figure 3: Net Profit

Source: Annual Reports, Rajarata Hotels Ltd. (2015-2019)

Rajarata Hotels Ltd got a clear understanding of offering a quality service to the customer, thereby achieving sustained performance in this transformational journey. Figure 4 shows how the employee count has increased at the organization from 2015 to 2020.

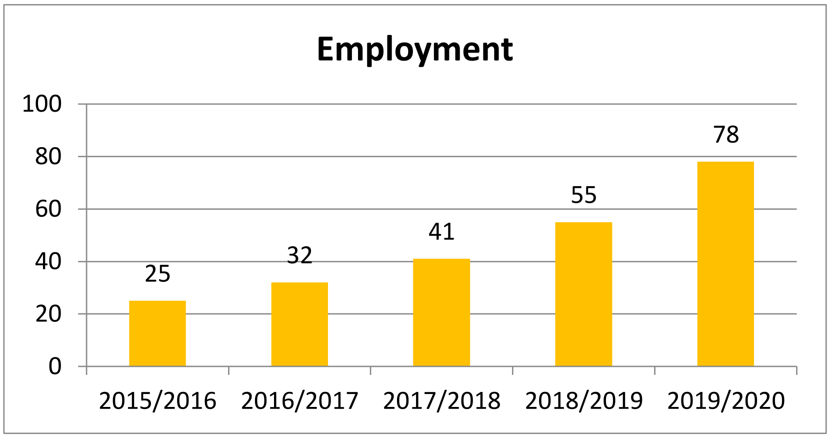

Figure 4: Employee Count

Source: Internal HR document, Rajarata Hotels Ltd. (2021)

People are more important for business performance and meeting customer demands. There are a lot of HRM practices that have an impact on how well a business runs, such as how well employees stay, how productive they are, how quickly they get things done, and how much money they spend Human resource management (HRM) is a major concern for organizations seeking to rapidly expand. As an organization grew, human capital became more important. As the company expanded rapidly, it struggled to find qualified employees. With their development, Rajarata Hotels Ltd can be increased the occupancy ratio which shows in Figure 5.

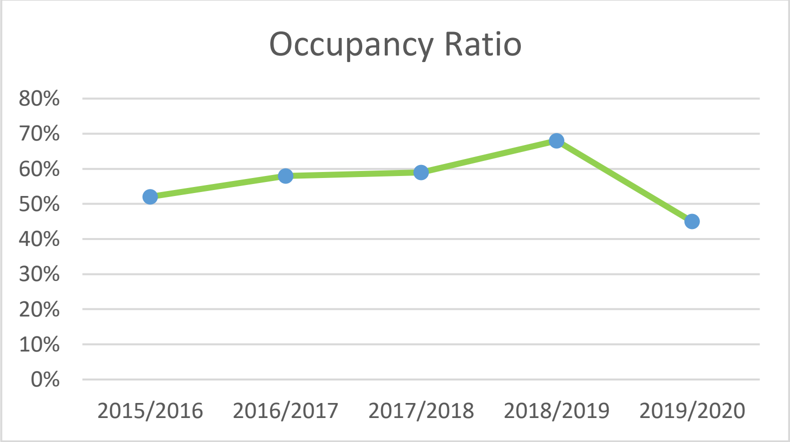

Figure 5: Occupancy Ratio
Source: Annual Reports, Rajarata Hotels (2015-2019)

This significant achievement shows the ability of Rajarata Hotels Ltd to improve and sustain success in a highly competitive marketplace continuously which shows in Tables 1 and 2.

Table 1: Financial Status of Rajarata Hotel

	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
Turn Over Increase	-27%	17%	15%	71%	11%
GP Ratio	79%	79%	73%	71%	74%
NP Ratio	15%	25%	16%	21%	21%
Current Ratio	2.09	3.7	2.04	1.4	1.55
Quick Ratio	1.94	3.5	1.9	1.11	1.24
Debt Ratio	0.081	0.09	0.1	0.135	0.138
Occupancy Ratio	45%	68%	59%	58%	52%
EPS	7	23.68	12.55	12.67	12.36
ROE	0.06	0.19	0.08	0.15	0.16

Source: Annual Reports, Rajarata Hotels Ltd. (2021)

Table 2: Industrial Financial Analysis

	John Keels Hotel PLC	Getwing Light House	Trans Asia Hotels PLC	Rajarata Hotel
Earnings per share	0.56%	2.23%	2.36%	23.68%
Return on equity	3.00%	4.00%	7.00%	19.00%
Net Assets per Share	19.75%	64.44%	32.22%	
Debt/Equity	0.19%	5.00%	4.00%	
Debt/ Total Assets	14.64%	4.00%		9.00%
Current Ratio	1.29%	1.17:1	0.92%	3.70%
Quick Asset Ratio	1.25%	1.02:1	0.87%	3.50%
Occupancy	80.00%		49.00%	68.00%

Source: Hotels Annual Reports. (2018/ 2019)

Financial comparisons between businesses in the same industry are more important to take strategic growth and performance. Financial factors have been shown to have a significant impact on a company's investment decisions. Similarly, the hotel industry has seen a surge in demand in recent years.

Entrepreneurial Leadership

Entrepreneurs have the ability and skills to identify market opportunities to produce more results. Entrepreneurial leadership is referring to the mindset that organizations on turning problems into opportunities that create economic and social value.

When an individual set out to start their own business, they assume most of the risks and get most of the benefits. Entrepreneurs play an important role in every economy because they have the ability and initiative to foresee market demands and bring good new ideas to the market. He was willing to overlook the risks. Not only that, but he is a leader who has a very positive outlook on the future. As a result, the hotel was concerned about the resources it already possessed. The resident Manager mentioned *"He looks very closely at market opportunities. He has a good knowledge of business not only in Sri Lanka but also in the world."*

Financial Risk

Businesses must face many risks such as financial risks, interest rates risks, liquidity risks, interest risks, etc. In financial planning, risk tolerance is the degree of volatility in investment returns that an investor can bear. Investing requires a certain level of risk tolerance. Everyone is affected by financial risks in one way or another, and they come in many forms. There are financial dangers involved, and you should be aware of them. However, even if you are aware of the dangers and know how to avoid them, you will still be at risk. Executive Chef was talking about leaders' ability to take a financial risk "*As far as I know, he is a man of far-sighted wisdom and good vision who can take financial risks*." Figure 6, on the other hand, depicts the hotel's Return on Equity, which increases more in the 2018/2019 financial year.

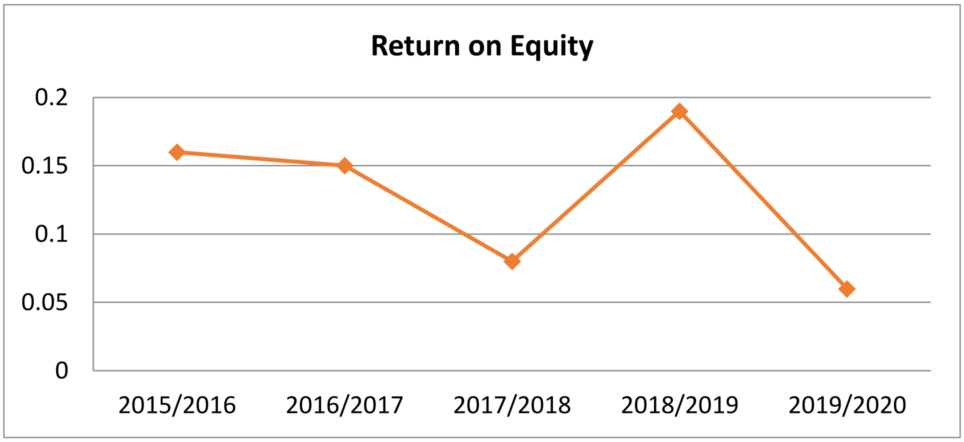

Figure 6: Return on Equity

Managing Innovation

Innovation is causing a shift in thinking patterns, resulting in a distinct mind set. An invention or invention to be distinguished is so far not being exploited as a creative achievement of a new problem solution compared to innovation. In terms of sustainability, the hotel has a sewage treatment plant that is zero sludge. The wastewater is collected in the equalization tank, which is the combustion of sewage from the rooms, kitchen wastewater, and laundry wastewater that passes through four compartments to remove fat, grease, and large particulate matter that cannot be degraded biologically. People have differing views on the initiative to build this Zero Sewage

Treatment Plant. Among them, MD was mentioned “As a result, we took steps to implement an appropriate strategy. With the help of medium-sized air bubbles and aerated oxidizing organic matter.”

Small Business Management

Small enterprises help local economies flourish by bringing growth and innovation to the community. The importance of small business for the country’s GDP. His entrepreneurship was happily explained to his subordinates. According to their explanation, Mr. Kanchana Dissanayake is one of the best examples of someone who is willing to take financial risks and is an expert at deciding where to invest available funds. However, he is a visionary who needs to win the market through creative thinking. Some of the ideas for subordinators are mentioned here. Executive Chef mentioned, “*MD is someone who thinks differently about his entrepreneurial qualities*.” The Managing Director was able to run this hotel very well because of his ability to run the business very well and implement new ideas. As a Small Business owner, he can contribute to the Sri Lankan economy in some way.

Risk Taking

Taking on a difficult assignment that could both fail and be a success or personal gain. All can make decisions, but first, we need to take a big step before can make it. All people who achieve greatness take risks that are well thought out. All can make decisions, but first, we need to take a big step before can make it. All people who achieve greatness take risks that are well thought out. All can make decisions, but first, we need to take a big step before can make them. Take a risk to see what happens. You're taking a chance every time you put money into an investment. The average person has a hard time taking chances. MD, on the other hand, is willing to go further and take a risk. It is the opinion of Mr. Kanchana Dissanayake. If you're interested in antiques, here are some pointers for finding them or making an appointment. In his own words, Mr. Kanchana Dissanayake said “*My hotel's capacity was boosted to 100 in 2016 as well. After seeing the possibilities presented by the hotel's diamond, I made that decision*”.

Proactive Initiatives

Proactive initiatives involve making decisions to improve employee capabilities and external decision-making. A proactive personality is a behavioural inclination to take personal initiative in establishing a favourable environment. As the hotel's most important asset, its employees play a big role in making sure that everything runs as well as possible. The team is made up of people who have worked in the hospitality industry for a long time and are well-known. Each of them has a lot of experience and knowledge in their fields of work. The name and style of a Hotel Complex were approved in 1974, but it had been closed for a long-time during World War II and recently underwent a major renovation. This is how the old building was demolished to make way for new construction, a new pool, and a lot of other things. The foundation and structural walls of the old building were left behind, though the hotel has been renovated and now has 27 rooms. It is open and running. The upper floors of the main hotel building are now being renovated, and 23 of the hotel's rooms are almost done. More than 45 guest rooms in a five-story building will be changed. This five-story building is built on a strong foundation. The hotel has 24-hour room service, a restaurant, laundry and dry-cleaning service, a large garden area, and an outdoor swimming pool. AEM mentioned “*Looking at the hotel industry, we decided to digitize all our* systems*. The reason is* *that as we move forward, everything becomes digitalized.*"

Value Creation

Value creation is more important to gain a competitive advantage. Value creation is giving something valuable to receive something else that's more valuable to self. The foundation of any business is the production of value for customers. Make sure the company solutions and brand stand out from the competition by creating a unique value proposition. The company's unique offering will be viewed by the target market as nothing more than another commodity if don't create value for the company. Three areas have been of great importance regarding Rajarata hotel MD and management team: to effectively fight industry competition, provide more value for the client, and take significant market capital out of the entire market for Anuradhapura hotels. The executive Chef stated his thought "*The responsibility of our team is to provide a delicious and wholesome meal and keep them* happy." To gain a competitive advantage, Rajarata Hotel wishes to provide more unique services. As a result, they were held accountable for every activity and service they provided.

Industry Competition

Industry competition is taking place when thinking of value creation to beat the marketplace. Market and industry differentiation add more value to the company. Anuradhapura has many accommodations to choose from. The top 25 hotels in Anuradhapura compete for the attention of guests at Rajarata Hotel. Price competitiveness was a major issue for hotel managers in 2017. Because of this, the marketing department was given the task of researching Anuradhapura's rates. When compared to other hotels, the management found that the price was a significant factor. As a result, the company's management decided to make changes to pricing in 2017. Here is what the MD said "*This indicates that pricing was fiercely competitive. And I wanted to provide my customers with the best possible service. So, I decided to alter the prices.*"

Value to the Customer

Customer value is the perception of what a product or service is worth to a customer versus the possible alternative. Creating customer value is an essential prerequisite for a company's future success. To make sure that your food is safe for eating, food safety and hygiene are essential. Consumers can get sick from food poisoning and other foodborne illnesses if food safety and hygiene standards aren't met. In terms of the world's hotel chains, Ritz Carlton gives greater safety meals by keeping a record of all of its customers. The customer gains more as a result of this. Similarly, Rajarata Hotel's management must ensure that customers' consumption patterns are protected so that the hotel's food recognition may be maintained. Consumers have a right to expect safe and high-quality food when they buy it. These people have a right to say what they think about the measures taken by the government and industry to ensure that food has these qualities. It was for this reason that the Rajarata Hotel received the Food Safety Certificate ISO 22000 - 2005. Please take note of the numerous points of view that have been offered by hotel management and its staff. The accountant stated "*We were able to obtain ISO 22000 certification for food safety because of this in 2017. As a result, we'll see an increase in customer confidence*."

Differentiate and Value Addition

Differentiating refers to tailoring instruction to meet customer needs. Differentiate and self-development are two different dimensions, but both need development. Product or service that you may be proud of Differentiation is all about showcasing products or services' distinct advantages. That's why it's so important to explain why the product is superior to the competitors in terms of quality, price, or overall value. One of the team members said "*We always strive to provide our maximum service to the customer. We believe that customers come to us because of our service*." Senior management, including the MD, has taken great care to ensure that the customer is well-served.

People Management

An organization's relationship with its employees can be described both qualitatively and quantitatively using the term "employee engagement." Organizational commitment is an individual's psychological attachment to the organization. In every organization, it is the people who make a difference. The extents to which employees feel passionate about their jobs are committed to the organization and put discretionary effort into their work. Information and physical resources are transformed into products and services that customers value in this way. Their ability to generate new ideas, solve problems, make decisions, and generate knowledge that improves the organization is unquestionable. When a customer has a problem, for example, the customer support representative becomes the customer's primary provider of assistance. Customers will judge your company's value based on the experience they have with a customer service representative from this point onward. The company's most valuable asset in this situation is the customer support representative. The resident Manager stated "*We practice great love and respect for the employees of our organization. The reason is that we believe that employees must be happy if we are to provide good service to customers*." Employee engagement, employee voice, and employee talent were the primary factors considered by management.

Strategic Movement

Developing HR practices within the organization is a critical factor in the process of strategic moments in terms of people management. Strategic human resource management is the approach to developing and implementing HR strategies that are integrated with business strategies and enable the organization to achieve its goals. With the hotel's expansion, Rajarata Hotel Management had to make numerous management decisions. The management has a lot of say in where and how things move. To accommodate the hotel's growing capacity, management decided to create new divisions with new hires. The company's profits grew steadily. The demand for employees has increased. There is a need for department establishments. The HR policy must be updated. It was decided by the MD and the rest of the senior management to grow both the number and the size of the workforce. Here are some statements made about this. HR Manager mentioned, "*In the same way that demand for hotels has increased, so has the demand for departments.*"

Employee Performance and Relationship between HRM Practices

A high-performance work system and work commitment can have a positive impact on the company's performance. Human resources practices and their impact on the strategic integration towards the organizational performance. Numerous businesses rely on human resources to maintain legal compliance, manage payroll, and keep employees happy. The right HR rules may help organizations save time, avoid lawsuits, and improve employee relations. Companies need to listen to their employees' voices since an effective employee voice can lead to increased productivity, innovation, and organizational improvement. A rise in job satisfaction, greater influence, and improved prospects for advancement are common outcomes for employees. To ensure that every employee in a business can speak or write about what they believe is essential, "employee voice" is implemented. "*Rajarata Hotel management is a place where we can give our opinions and suggestions on a large scale"* One of the members of the group stated.

Findings of the Case Study

Achieving Sustained Performance

Sustained performance as in any organization is achieved business performance even in navigating the changing business landscape in a proactive and agile way when the business remains true to its purpose and values over a period (Raisch et al., 2009). The primary and secondary data of Rajarata Hotel demonstrated that the organization had indeed grown over the period under review (i.e. 2015 - 2019). People are more important for business performance and meeting customer demands. There are a lot of HRM practices that have an impact on how well a business runs (Paul & Anantharaman, 2003). There was a significant need to increase the number of employees and departments to carry out the hotel's operations smoothly. As a result, the number of employees increased year after year (i.e. 2015 - 2019). Employees have increased from 25 in 2015 to 80 today. Adaptation is one of the attributes which is required for sustained performance. Stormer et al. (2013) stated flexibility is very important to track multiple objectives of sustainable performance. There were now 100 rooms available in 2016. There was an increase in the number of employees each year between 2015 and 2019. Financial factors have been shown to have a significant impact on a company's investment decisions (Cleary, 1999). The Hotel has begun a volunteer program for Ashoka Vidyalaya Anuradhapura. Furthermore, the hotel management has increased the budget for the CSR program. Rajarata Hotel management increased marketing spending in 2018 to boost revenue. As a result, they were able to raise awareness of their product even further.

Volume is one of the good denominators of sustained performance. Mackay et al. (2008) have described volume changes that could be developed in either an up or down direction. While repaying the bank loan, the management considered increasing the number of rooms to 100 in 2016. Efficiency is determining volume. Sometimes employees have to work continuously without being stagnated upon the time limitation. Cox and Krueger (1989) have argued production volume and employees' stress have a negative correlation. As a result, in 2015, a Resident Manager was recruited. An F&B manager was recruited in 2016. 2016 A new team of operators has been put in place. A new member of the F&B department was recruited in 2017. The kitchen staff increased in 2018. In addition to these changes, restructured the compensation plans for 2019 as well. Marsden and Richardson (1992) insisted that even in the public sector performance-related payments leads to an increase its revenue as employees are motivated to change their behavioural pattern to increase the organizational revenue. By looking at Rajarata Hotel's revenue, can see a steady increase despite minor fluctuations. Financial measurement is a very important factor when it comes to increasing volume. Nieman (2010) mentioned that investment in people innovation and process improvement is required to increase revenue to achieve sustained performance. Whatever the reasons for growth, it may be in the best interest of a company to forgo the short-term gains associated with rapid expansion in favour of the long-term advantages of steady growth.

Demonstrating Entrepreneurial Leadership and Sustained Performance

Entrepreneurial leadership is referring to the mindset that organizations on turning problems into opportunities that create economic and social value stated by Holweg (2008). Entrepreneurial leadership at the Rajarata Hotel is characterized by Mr. Kanchana Dissanaake's proves in taking financial risks, innovating, growing a small business, and finding new opportunities. Financial risk is one of the critical factors that entrepreneurs must deal with. Gupta et al. (2004) explained the importance of the financial implication of any decision in terms of business operation, competition, growth, employee growth, and export potential. Jorion (2007) explained financial risks arise due to failure to achieve financial objectives. In terms of Rajarata Hotel leadership, the leader is willing to take financial risks. In fact, after 2018, the entire financing was based on equity capital, whereas before 2013, the majority of funds were based on borrowing. Nonaka and Yamanouchi (1989) have discussed managing innovation as self- renewal process which needs to introduce innovation or invention to change the thinking pattern of the organizations. Rajarata Hotel is a well-thought-out establishment. The Zero Sewage Treatment Plant was built in 2015, and the new Hotel website was launched in 2016.

Many small businesses are also equipped with the ability to respond and adapt quickly to rapidly changing economic conditions. Longenecker et al. (2013) have mentioned in small business management, all activities and aspects need to carry out by the management, and it is their responsibility of them. Solomon and Fernald (1991) have discussed the importance of small businesses for a country's GDP. The Rajarata Hotel also contributed significantly to the Sri Lankan economy. As a result, they received a provincial award in 2018 for the best entrepreneurial project. All can make decisions, but first, we need to take a big step before can make explained by Brockhaus (1980). Sometimes, can teach the most important business lessons an entrepreneur can get from them Wallach et al. (1962). When it came to taking risks in Rajarata Hotel, the entire financing was based on equity capital until it was based on loans. However, in 2016, the company's management decided to increase room capacity to 100 rooms. A proactive personality is a behavioural inclination to take personal initiative in establishing a favourable environment (Bateman & Crant, 1993). Responsibility is taking place when it comes to proactive decision-making. Husgafvel, et al. (2013) have discussed social responsibility and ethical responsibility taking place as the interesting domicile for conducting and establishing responsibility in the corporate effort is economically beneficial. When considering to the Rajarata hotel has taken many proactive initiatives in the period under review (i.e., 2015 – 2019).

Creating Value and Sustained Performance

Value creation is more important to gain a competitive advantage. Priem (2007) mentioned value creation is giving something valuable to receive something else that's more valuable to the self. Xuhua et al. (2018) mentioned that some of the companies' contribution has significant determinants of Sri Lankan GDP. Rajarata Hotel has decided to change the prices to make competitiveness in terms of facing industry competition successfully in 2017. Woodruff (1997) defined the customer who is perceived preference, attribute performance, arising facilities, customer goals, and purpose in the given situation. Rajarata Hotel received an ISO 22000 food safety certificate to assure food safety. The hotel started its marketing activities in Trip Advisor in 2015 as a value addition. Smith and Colgate (2007) explained though there are more choices of products and services in the marketplace still customer dissatisfied. Industry competition is taking place when thinking of value creation to beat the marketplace. Magretta (2011) has mentioned in the organization is a collection of activities. To obtain customer feedback, the company has used Trip Advisor. This channel is used to share company reviews with both foreign and local customers.

Some industries have fierce competition. To survive in the market, these industries must differentiate themselves. Ucmak and Arslan (2012) have discussed hotels are one of the most important sub-sectors in some industries. Isoraite (2018) has discussed that high intensity domestic competition breeds international success. After renovating the hotel in 2013, their target market consisted of middle-income foreigners and local tourists. To meet their needs, we have differentiated the Rajarata Hotel's customer base service. It all started with a study they conducted in Anuradhapura in 2017. Customer relationship management (CRM) is a method of managing customer relationships by analyzing massive volumes of data. Venkatesan and Kumar (2004) have mentioned that customer lifetime values come from the right customer relationship management. Knudson-Martin (1996) has argued that differentiate and self-development are two different dimensions, but both need development. Customer wants are very comprehensive. Baines et al. (2007) have discussed suppliers and manufacturers able to improve their competitiveness by giving solutions to the customers which make sense to differentiate product-based offerings. The management has decided to hire a Relationship manager in 2018 to handle customer complaints and turn them into opportunities. Because the management believed that complaints were an opportunity to improve the hotel's service.

Executing People Management Strategies and Sustained Performance

People management emphasizes the significance of an organization's culture and values, the need for knowledgeable professionals, and the relationships between human resources and performance stated by Purcell et. al (2008). Organizational commitment is an individual's psychological attachment to the organization. This and Sewwandi (2018) have stated that the extent to which employees feel passionate about their jobs are committed to the organization and put discretionary effort into their work. An employee voice refers to an employee's ability to influence the direction of an organization. Walumbwa and Schaubroeck (2009) have explained employee voice. As a result of the management's decision, a new customer care unit was established in 2015. The HR department and the finance department were established in 2016. Implementation of HR practices is the most important aspect of the organizational performance which draws attention to the culture and value of the organization, professional knowledge workers, and the link between human resources and performance stated by Purcell et al. (2008). The Rajarata Hotel took this step in 2016 to change the HR pilot and develop the SOP.

HR practices can help organizations save time, avoid lawsuits, and improve employee communications. Paul and

Anantharaman (2003) have mentioned some companies needed to develop an unexplored intermediary process connecting the HRM system and organizational performance. Armstrong (2019) has mentioned that strategic human resource management is the approach to developing and implementing HR strategies that are integrated with business strategies and enable the organization to achieve its goals. During the review period, the hotel management increased its people engagement activities (i.e., 2015-2019). Badaracco and Badaracco (1991) discussed the classic economics wealth of land, labour, and capital. In 2018, a new ERP system was implemented. Aside from that, management is more concerned with employee hygiene factors in 2017 and has made the necessary arrangements. Francis (2013) has researched these human resources practices and their impact on the strategic integration towards organizational performance. Weerakkody (2010) has discussed that small businesses are playing a vital role in the country’s economy. The Rajarata Hotel is collaborating with the operations team; the HR department has implemented additional security measures.

Conclusion

The first goal of this case study was to explain how Rajarata Hotel was able to achieve sustained performance following its refurbishment (from 2015 to 2019). Chapter 2's literature review defined sustained performance and the various ways it could be measured. Rajarata Hotel's primary and secondary data demonstrated sustained performance in organizational volume, revenue factor, and employee attraction. In addition to these three dimensions, there was sustained performance in other indicators of occupancy ratio and industrial analysis. These findings were discussed in greater detail in Chapter 5. By critically analyzing important events that shaped the organization's timeline, the key drivers that contributed to the organization achieving its outcome were identified. The key drivers identified were demonstrating entrepreneurial leadership, creating value, and implementing people management strategies. Chapter 3 outlined the case framework.

The second goal of this case study was to explain the role that Entrepreneurial Leadership played in achieving long-term performance. Because of its dominance in the events that occurred along the timeline, particularly during the Company's influential years, EL was identified as the primary driver. Furthermore, many events that were critical to achieving sustained performance were a direct result of EL. EL influenced, for example, financial risk-taking, innovative initiatives, managing business by looking at market opportunities, and moving toward proactive initiatives. Furthermore, the manifestations of innovativeness, proactiveness, and risk-taking were prominent in the primary and secondary data gathered for this study. It is also possible to argue that EL was frequently the underlying negotiator who influenced the other two drivers.

The third and final goal of this case study was to determine whether EL, value creation and people management strategies influenced long-term performance. The two other drivers, in addition to EL, contributed to the achievement of the outcome. The impact of value creation and people management on organizational performance was thoroughly discussed in Chapter 2. A company that uses implementation and execution attracted other stakeholders such as employees and suppliers, which aided in organizational performance. The Rajarata Hotel also provided numerous examples of alternative performance strategies. These proactive initiatives and leadership initiatives, for example, have all been shown to positively contribute to organizational performance.

Practical Implications

Rajarata Hotel was closed until 2013 when it was purchased and renovated by Mr. Kanchana Dissanayake. In terms of finances, this was a critical period for the Managing Director. However, the MD saw a market opportunity for the hospitality industry at the time. The ability to seek opportunity is most important to the entrepreneur because entrepreneurs do not wait for the opportunity to present itself, but rather create it by recognizing a higher demand but a lower supply. The most important thing, however, is to recognize this as a business opportunity. Rajarata Hotel's leadership could see a business opportunity after analyzing market demand. The company's leadership possesses this ability. The MD can seek, evaluate, and analyze market opportunities in terms of risk. As part of the overall mission of the organization, it should also develop its business model and business practices. A company must actively pursue and achieve its goals to demonstrate strategic intent.

Another managerial lesson learned was the importance of taking risks and initiating proactive initiatives to grow the business. Rajarata Hotel management has decided to increase room capacity to 100 in 2016 while repaying its bank loan. However, the hotel management was able to repay the entire loan amount within five years due to the management's capacity, commitment, and decision-making ability. Companies must take risks to develop and survive in the market. Another important requirement for success in the market is proactive initiatives, on which the hotel management has been focused since the day it was renovated. Overall hotel systems were digitalized, departments were established while hotel staff was increased, and managerial goals were established to achieve hotel goals. Proactive initiatives are critical for making positive changes in the face of hotel competition. Risk-taking and proactive initiatives are the managerial components through which a company can differentiate itself in the market.

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