



The managerial Competency Development for Young Entrepreneurs in the Hospitality Industry in a World Heritage City of Luang Prabang, Lao PDR

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Abstract

Background and Aim: In today's fast-paced and innovative business world, managerial competency skills are essential factors to ensure the sustainability and quality of enterprises in various industries and companies. In Southeast Asia, the establishment of the ASEAN Economic Community and the Development of the Lao-China Railway have intensified economic activity among Asian regions, including the Lao PDR. In particular, the World Heritage City of Luang Prabang has increased its tourism and hospitality business sectors. This implies that Entrepreneurs must upgrade their management capabilities to elevate their potential and remain competitive in the face of globalization's demands. Thus, the present study aims to identify the managerial competencies of hospitality business entrepreneurs, to implement the training workshop about Management Competency Development, and to compare the management competencies of participants before and after the workshop.

Materials and Methods: The researcher utilized a quantitative-developmental study to identify the managerial competencies of young entrepreneurs of Luang Prabang, Lao PDR. There were fifteen (15) participants in this study, who were composed of graduates with various specializations. Further, the data collection method includes three steps: (1) *designing pre- and Post-Test questionnaires*; (2) *organizing the training workshop on managerial competency development*, and (3) *comparing the managerial competencies of the participants before and after participating in the training workshop*.

Results: In the initial assessment of competency, the pre-test results show that participants are at a low level with 1.98 (SD=0.18), including Policy and Law for Entrepreneurs, followed by Hospitality Entrepreneurship, Service Leadership, Human Resource Management, and Financial Management, respectively. After participating in the training workshop, the post-test result reveals that the competency level was at a high level and an average value with 3.77 (SD=0.17), including Service Leadership Competency, followed by Policy and Law for Entrepreneurs, Hospitality Entrepreneurship, Human Resource Management, and Financial Management, respectively. Before joining the training workshop, there was only an age factor difference, which implies a significant effect on the level of Managerial Competency of the participants at the 0.05 level, as to the gender, status, educational level, field of study, work experience, job position, knowledge, and experience in business administration.

Conclusion: the training workshop did not significantly affect the overall management levels of young hospitality entrepreneurs, as the competency results remained at a low level, with an average score of 1.98. However, in terms of individual factors, specifically age and gender, they have a significant influence on the participants' competency levels before and after the training. Thus, there is a need to implement innovative training approaches to develop and enhance the capabilities of young entrepreneurs, particularly on Leadership Competencies, Policy and Law for Entrepreneurs, Human Resource Management, and Financial Management.

Keywords: Managerial Competency Development; Hospitality; Entrepreneurs; Competency

Introduction

Vixathap (2017) evaluated the performance of Small-Medium Enterprise (SME) businesses in Laos, taking into account the ability of entrepreneurs in facilitating the government sector and customer characteristics using company-level data. The results indicate the need for effective SME promotion policies and related policies, such as enhancing entrepreneurship education, both formal education and vocational training. Through these innovative mechanisms, SME businesses will improve the dissemination and enforcement of laws and regulations and attract foreign direct investment. In connection with





competency assessment, Schneidr & Alborno (2018) studied the development of personnel competencies in tourism agencies in Lao PDR. The researchers confirmed that the highest level of ethical competency in Laos PDR comprises of *service leadership*, which is an indicator of professional competency, which is an indicator of professional competency. Then, in terms of *management*, employees can provide services at a high level, and they have the competence to have professional expertise.

Moreover, the management competency not only affects business operations, but it also has a positive impact on academic management (Kanthawong et al, 2017). For instance, a study of the competency development among the Department Heads in the universities in Lao PDR found that management competency is important in both the ability to plan for Management, supervision, control, leadership abilities, and attitudes that correct roles affect excellence in organizational success.

In Southeast Asia, the establishment of the ASEAN Economic Community and the Express Train Development of the Lao-China Railway have intensified economic activity among Asian regions, including the Lao PDR. In particular, the World Heritage City of Luang Prabang has increased its tourism and hospitality business sectors. This implies that Entrepreneurs must upgrade their management capabilities to elevate their potential and remain competitive in the face of globalization's demands. Thus, the present study aims to identify the managerial competencies of hospitality business entrepreneurs, to implement the training workshop about Management Competency Development, and to compare the management competencies of participants before and after the workshop.

Objectives

The present study aimed to achieve the following objectives:

1. To assess the current level of managerial competencies among young Hospitality business entrepreneurs in the World Heritage City of Luang Prabang, Lao PDR; and
2. To compare the managerial competencies of young entrepreneurs before and after the intervention of the three (3) -Day Hospitality training workshop.

Literature Review

The Competency

The concept of competency was introduced by David McClelland in the 1970s. It examines why employees in the same position produce different levels of productivity and, from testing, as a result, that not only being smart will help personnel succeed. But it's also an ability and competence that are defined as knowledge, skills, and characteristics. The Competencies include 1) core competencies, 2) professional competencies, and 3) specific technical competencies (Cali, et. al., 2022). In Luang Prabang, graduates of the Hospitality course were employed in various industries, Guesthouses, and restaurants. The foreign visitors and owners have high expectations of the local employees in terms of employing managerial skills within the context of communication. Bu"cker and Poutsma (2010) define the competency concept as Potential and intention in the actions that can learn to adapt to the new environment, effectively communicate, and promote interpersonal relationships and cultural intelligence. This has a very positive impact on the world Management environment in the new century of business operations and marketing. This implies that effective managers are efficient communicators, with the capacity to adapt themselves to cultural diversity and the environment. Managers and entrepreneurs must develop soft skills such as English language proficiency, effective time management competence, and work ethics. This is especially true of hospitality managers who confirm the importance of entrepreneurial management abilities (Su, 2013) and management skills related to soft skills to develop good working relationships with customers and employees' communication skills, ability to manage and motivate, team building, and Knowledge management in information and technology.

Entrepreneurial competency

Competencies are critically important in the field of entrepreneurial education (Umar et al, 2019). The development of entrepreneurial thinking is very important. Entrepreneurship skills not only influence decision-making and innovation, but they also affect how they achieve the strategic goals of the industry and establish a long-term sustainability of the business. Managing resources with goals to achieve the Strategic goals of the organization is likewise related to management theories, specifically resource mobilization, strategic planning, leadership, and resilience. It is essential for entrepreneurs to navigate





uncertainties and to capitalize on market opportunities (Schneider & Albornoz, 2021). The competencies of entrepreneurs can be described as follows: Those characteristics that a person exhibits that can be used to explain effectiveness, efficiency, or superior performance in assigned tasks. In determining the ability of entrepreneurs. The nature of the risk-taking is important, without which making a profit can be difficult (Pepple & Enuoh, 2020). Entrepreneurial performance has been reported.

To be useful in relieving environmental pressure. It is caused by operational turbulence and uncertainty. Policy changes, a big part of an entrepreneur's ability, are strategic learning. Organizing Risk capability, Conceptual abilities, and opportunities are significantly positively related to business performance. Cuevas-Vargas et al (2019) report the direct and indirect effects of entrepreneurial orientation on the Performance of micro and small companies using PLS-SEM with customer satisfaction as an Intermediary variable. The results show that such businesses' Efficiency and customer satisfaction are our primary focus to receive positive influence from entrepreneurs.

Concept of facilitation training methods

The facilitation concept appears to have emerged from the fields of advising and student-centered learning methods, and in some approaches to practical learning, such as fact-based learning approaches, student-centered, Problem-based, and experimental learning, and facilitation refers to techniques in which one makes things happen easier for others. The facilitation is achieved by a person who performs a specific role called a facilitator, which aims to support others, and a facilitator is a person with the appropriate role, skills, and knowledge to participate and help individuals, teams, and organizations with evidence into practice (Smart, 2024). In the era of globalization, competency development contributes to both research and practice, which are imperative for educational institutions and government policymakers to provide well-structured interventions and training methods for the sustainability of the business. Trainers in this method are called Training facilitators in Workshops where subject matter experts are not always included, and aim to draw on the participants' existing knowledge. The facilitation feature requires project management skills. Technical skills, Marketing skills, credibility, and the facilitator must also be able to enable others to offer co-mentoring. According to Harvey (2022), Critical reflection means role adaptability and realism. This implies that in the changing times and the continuous innovation of the world, industry workers must have the ability to adjust to their workplace and widen their perspectives to embrace change.

Conceptual Framework

The present study follows the Input-Process-Output (IPO) model. The concept consists of *input*, the design phase of the training workshop; *process*, the participants' application of skills learned from the workshop; and *output*, the development stage toward managerial competencies.

As a developmental study, the scientific investigation is anchored to the Competency-Based Education (CBE) and Experiential Learning Theory (ELT). Competency-Based Education is a personalized learning experience that goes hand in hand. The main goal of this concept is to let learners develop particular knowledge at their own pace and master the learned skills (Juraschka, 2021). In this study, the development of specific skills and competencies of participants is necessary for their performance in the field of Hospitality and the Entrepreneurial sector.

On the other hand, the Experiential Learning Theory focuses on the idea that students learn best through experience. The role of teachers or trainers is to facilitate the students' learning and let the learners solve particular problems and participate in active experimentation (WGU, 2020). This theory is the foundation of this research study, which delves into the learning process gained by participants after the intervention program. Through the transformation of experience, the outcomes of learned knowledge are in line with the target competency objectives of the participants.



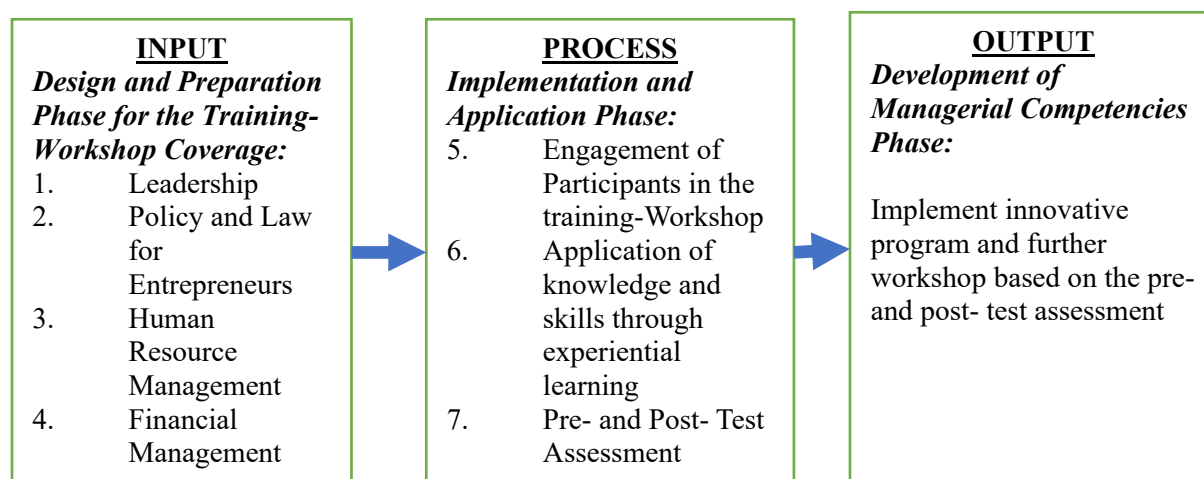


Figure 1 The conceptual Input-Process-Output framework of the study

Methodology

This action research focuses on the comparative analysis of management competencies among young Hospitality entrepreneurs in the World Heritage City of Luang Prabang, Lao PDR. Quantitative data collection was utilized to ensure a concise understanding and identification of participants' competencies and the effects of the intervention.

The key informants were fifteen (15) young entrepreneurs of the hospitality industry in Luang Prabang. The participants volunteered to participate in a training workshop and were carefully selected based on their active involvement in the hospitality-related business ventures in Luang Prabang. The three important steps were followed:

1. Designed a training workshop about Management competency according to the components of management competencies for Hospitality entrepreneurs and invited innovative trainers who are experts on the "*Development of Management Competencies for Hospitality Business Entrepreneurs*". The topics in the training are composed of *Leadership*, *Policy Supports for Entrepreneurship*, *Human Resource Management*, and *Financial Management*. Fifteen volunteers from the Hospitality Business in Luang Prabang attended the said training workshop.

2. Designed the Pre-Test and Post-Test Questionnaires about Management Competency and distributed the forms to the participants before and after participating in the training workshop. The collected data were measured according to the five levels of scores using Averages and Standard Deviation.

3. Summarized the study by comparing the management competencies of the participants before and after the training.

Results

Table 1 The Personal Profile of Participants (n=15)

Personal information	Number	percentage	Courses	Number	percent
Gender	15	100.00	IT Business	2	13.33
Female	6	40.00	Tourism	2	13.33
Male	9	60.00	Management		
Age	15	100.00	Tourism	1	6.67
20-30 years old	9	60.00	Studies		
31-40 years old	5	33.33	Agriculture	1	6.67
More than 41 years old	1	6.67	Computers	1	6.67
Status	15	100.00	Work experiences	15	100.00
			1-3 years old	10	66.67
			3-5 years old	4	26.67



Personal information	Number	percentage	Courses	Number	percent
Single	8	53.33	More than 5 years old	1	6.67
Married	7	46.67	Position	15	100.00
Education	15	100.00	Owner	8	53.33
Lower than a Degree	3	20.00	Managers	7	46.67
Degree	11	73.33	Type of Business	15	100.00
Master Degree	1	6.67	Hotel Business	5	33.33
Major of the study	15	100.00	Guest House	10	66.67
French Language	1	6.67	Managerial experiences	15	100.00
Economics	2	13.33	Learning from organizations	6	40.00
Business Management	2	13.33	Learning from an institution	4	26.67
English Language	3	20.00	Learning from working experiences	5	33.33

Table 1 shows that most of the participants were male (60%), aged between 20 and 30 years, and single. The participants graduated with a Bachelor's Degree (73.33 %); graduated from or received training before operating in the English language field (20 %); had 1-3 years of work experience, which comprises 66.67% in executives, and 53.33% percent in the guesthouse business. The results also show that 66.67% of the participants had knowledge and experience in business management learned from parents' business background or people with experience in the organization.

Table 2 Competency in hospitality business management of young entrepreneurs before and after paparticipating in the training

Competency	Pre-test			Post-test		
	Average	SD	Competency level	Average	SD	Competency level
Policy and Legal for entrepreneurs	2.23	0.46	less	3.83	0.41	Much
Understanding Cultural Heritage Tourism in Luang Prabang	2.40	0.63	less	3.60	0.51	Much
Policy and law for Entrepreneurs	2.07	0.70	Less	4.07	0.59	Much
Service Leadership	2.13	0.39	Less	3.97	0.23	Much
Overview of Leadership	1.87	0.64	less	3.73	0.46	Much
Self-Development	2.40	0.63	Less	3.67	0.49	Much
Innovative and Change Leadership	1.73	0.59	Least	4.53	0.74	Most
ICT and Effective Communication	2.53	0.74	Less	3.93	0.59	Much
Financial Management	1.43	0.32	Least	3.57	0.32	Much
Finance and Auditing	1.53	0.52	less	3.60	0.51	Much
Proposal writing for funding access	1.33	0.49	Least	3.53	0.64	Much
Hospitality Entrepreneurial Mindset	2.17	0.36	less	3.77	0.37	Much

Hospitality Entrepreneurship	1.73	0.70	Least	3.80	0.56	Much
Entrepreneurship Marketing	2.60	0.51	less	3.73	0.46	Much
Human Resources Management	1.93	0.42	less	3.71	0.25	Much
Introduction to Human Resources	2.13	0.52	less	3.87	0.52	Much
Human Resources Planning	1.67	0.62	Least	3.80	0.56	Much
HR Training and Development	2.00	0.76	less	3.47	0.52	Much
Total	1.98	0.18	less	3.77	0.17	Much

Table 2 presents the competencies in hospitality business management of young entrepreneurs before participating in the training workshop. It was found that the competency was at a low level. The average value was 1.98 (SD=0.18), including cooperation with the government sector, followed by service business operations, Human resource management, and financial management, respectively. According to Wang et. al. (2021), current young entrepreneurs in today's business world are relatively backward as to their competence in adopting management skills. Innovative means of entrepreneurship awareness and technologically-driven opportunities will help these potential leaders to improve their humanized management abilities.

After participating in the training, it was found that the competency level was at a high level. The average value was 3.77 (SD=0.17), including leadership competency, followed by policies and laws regarding business operations, service business operations, Human resource management, and financial management, respectively, as shown in Table 2.

Table 3 Comparison of personal factors that affect young entrepreneurs' managerial competencies in Hospitality Management, before and after participating in the training workshop

Personal factors	Competency					
	Pre-Test		Result	Post-Test		Result
	T/F	sig		T/F	sig	
Gender	0.246	0.081	Non	-2.366	0.034	Sig
Position	1.255	0.232	Non	-1.053	0.311	Non
Status	-0.111	0.913	Non	-0.438	0.668	Non
Age	5.985	0.016	Sig	0.376	0.694	Non
Education	2.305	0.142	Non	0.076	0.927	Non
Major of graduation	2.397	0.151	Non	1.809	0.243	Non
Work experiences	1.050	0.380	Non	0.343	0.716	Non
Knowledge and Experiences in Business Operation	0.251	0.782	Non	0.048	0.954	Non

Table 3 shows that there was no effect on the competency level of hospitality business management of young entrepreneurs. Further, the results were statistically significant at the 0.05 level. After participating in the training, it was found that there was only a gender factor difference. Thus, there was a significant effect on the level of competency of the participants at the 0.05 level.

Further, in terms of age, status, education level, field of study, work experience, job position, knowledge, and experience in managerial competency were statistically significant at the 0.05 level.



Discussion

The training workshop was designed to assess the level of management competencies of participants before and after the training workshop. The most relevant management abilities that young entrepreneurs in the Hospitality Business must develop are as follows: *Leadership, Entrepreneurial Thinking, Human Resource Management, Policies and Laws* regarding business operations, and *Financial Accounting Abilities*. The training sessions were designed in accordance with the training documents and related activities. Further, the training agenda included the training module, which is a combination of five components in Management Competence Development. In addition, the context and content were based on component analysis as suggested by the five experts in the hospitality business. The duration of the training was three (3) days (six hours per day). The training includes inspirational learning activities to ensure that participants are focused on training and actively sharing their experiences.

The training workshop was spearheaded by five qualified trainers as the leading facilitators on *Managerial Competency Development*, funded by the U.S. Agency for International Development (USAID) and implemented by the Research Triangle International (RTI), which was first introduced into participatory action research and participatory training workshops in Lao PDR. The expert trainers shared their experiences on the related topics, such as Policy and Legal Support for entrepreneurs in the Lao PDR. The participants were Hospitality Entrepreneurs, aged 18-45 years old, who volunteered to participate in this workshop. Further, the Participants in this 3-day workshop were in groups of five every session. Also, the special recommendation was approved by the President of the Luang Prabang Hospitality Business Association.

After the implementation of the training workshop, the result of the post-test significantly provides an impression that specific and relevant competency training paved the way to develop the young entrepreneurs' skills in business and management. The core competencies involved in the process of development of entrepreneurial skills include opportunity identification and business model execution (USAID, 2018).

According to Ozdemir (2021), gender diversity emerged as one of the significant factors to consider in attaining efficient hospitality and tourism management. For instance, the involvement of women in the work industry was typically stereotyped as service-oriented employees in the past decades, but they are currently powerful people in today's world as effective strategists and decisive leaders. Moreover, age diversity practices have been a critical factor in creating a valuable organizational diversity. Elkhwesky et. al. (2018) suggest that diverse backgrounds of employees in management establish a positive work environment and encourage a productive workplace.

Personal factors that affect young entrepreneurs' performance in hospitality business management. Before participating in the training, it was found that there was only an age factor difference. It has a significant effect on the level of competency in hospitality management of young entrepreneurs at the 0.05 level in terms of gender, status, educational level, field of study, work experience, job position, knowledge, and experience in Business. Among Gen-Z employees, Seyfi et. al. (2024) point out that substantial shifts in the standards and practices of the hospitality industry are essential for management implementation to attain sustainable work-life immersion. Moreover, understanding the mindset and behaviors of employees in tourism management, regardless of age, has provided information for employers that guides them in marketing strategies (Hung & Lu, 2016).

Conclusion

This study highlights the importance of developing the managerial competencies of young entrepreneurs in the World Heritage of Luang Prabang. The overall procedures of this research are summarized from input (designing training workshop), process (application of learned skills), and output (development of managerial competencies for Hospitality Entrepreneurs).

Recommendation

Based on the findings of the study, the young Hospitality Entrepreneurs in the World Heritage City of Luang Prabang in Lao PDR may be provided with further training in terms of Leadership Competencies, Policy and Law for Entrepreneurs, Human Resource Management, and Financial Management. The context of the training may be supported by structured and specialized programs in collaboration with the administration of the local University, Non-Government Organizations, and Hospitality and Tourism-



related sectors. Through this strategy, the participants will be able to establish more resilient and effective business practices toward the development of the hospitality sector in Luang Prabang.

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