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# CtI EUROCOLLEGE

## SST RESEARCH JOURNAL





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# **CTL EUROCOLLEGE SOCIAL SCIENCES AND TECHNOLOGY RESEARCH JOURNAL**

**Dr Georgios Afxentiou**

Editor-in-Chief

## **Vision**

This journal is designed to offer theoretical and practical models of excellence to executives, managers, human resource specialists, academics, students and consultants. It offers the opportunity to academics and practitioners to develop new thinking processes, theories, good practices, and forums for debating issues that arise. Our commitment is to produce research of excellence, instill ethical standards and follow the policies and laws of the state.

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**Article 1**

**Reconstructing the organization design of Delicious Sauce Ltd serves as a venue for market expansion**

**Afxentiou Georgios**

**ABSTRACT**

The organization design of a sauce factory was affecting its expansion in the market. The arrangement of jobs, duties of personnel, communication of management and personnel, training of personnel, and investment in food technology were some of the factors affecting the structure and expansion of the organization. The management and the researcher analysed the organization design of the sauce factory, prepared a strategic plan, implemented measures and evaluated the research outcomes. Delicious Sauce Ltd managed to improve the organization design by recruiting and training personnel, setting clear duties and responsibilities that resulted in a more efficient organization, improving production processes by investing in new food technology, deploying a marketing plan and developing new products to meet customers' demands.

**Keywords:** *Organization design, strategy, business development, marketing, product development, leadership, globalisation.*

**INTRODUCTION**

**Description of the company**

Delicious Sauce Ltd is a company that specializes in the production of appetizers, salads and sauces. The sauce factory was

established in 1999 in Cyprus and was awarded the ISO 22000 in 2006. The company focuses on the design, development and promotion of new products on the retail and wholesale markets. The management, with the cooperation of the production team have developed recipes for a wide range of products destined for local and global markets. The clientele includes restaurants, hotels, coffee shops, taverns and bakeries.

The management has invested in food technology, improved production techniques, enhanced the efficiency of business processes, trained personnel and promoted the products on the market. The perspectives of the company are evident by the improvement of the organization design, development of a strategic plan and deployment of a promotion plan.

The design and development of new products increased sales by fulfilling the customers' demands. The continuously changing trends in the market have shaped two categories of customers: 1. Traditional customers and 2. New customers. The basic product lines meet the needs of the traditional customers and the new products meet the needs of the new customers with a different taste for sauces, appetizers and salads, new ingredients and health food.

**Statement of the problem**

The Delicious Sauce Ltd lacked a robust structure that would have allowed management to improve the production processes, develop new products, improve communication in the organization, implement new software for managing operations, promote products and expand its

services in the market. The undefined framework of duties and responsibilities of personnel caused problems to the production, sales and distribution processes in the factory. The sales force was unable to promote and sell new products to targeted segments of the market due to the absence of a concrete marketing plan. The production schedule and poor communication with the sales force were also factors that caused problems to management. The inefficient communication channels in the organization design created a gap in the company that triggered a shortage of products during the high season and a subsequent loss in sales and revenues.

### **Research Aim**

The aim of this research was to identify the characteristics of the organization design that prevented the sauce factory from expanding in the market.

### **Research objectives**

1. To analyse the organization design of the sauce factory.
2. To identify potential obstacles that prevented the management from expanding its operations in the market.
3. To provide practical recommendations for the improvement of the organization design in the business.
4. To evaluate the research outcomes in comparison to the organization's production efficiency and customer satisfaction.
5. To transfer the research findings to other businesses in the market.

### **LITERATURE REVIEW**

Turner and Miterev (2020), Van de Ven et al. (2013) stated that organizational design is an established literature stream within organization studies that addresses the antecedents, interactions, and consequences of various facets of an organization, which are sometimes referred to as organizational design elements or dimensions. An implicit assumption within the stream is that such elements can be steered by management, at least partially, with the goal of achieving certain outcomes. Laudon K. and Laudon J. (2016) suggested that all organisations have a structure or shape. Robbins, DeCenzo and Coulter (2013) described organisational design as the managerial decision-making process concerned with setting the rules covering employee behaviour, deciding how specialised jobs should be and at what level decisions should be taken. Organisational design is a broad concept referring to the process of assessing and selecting the structure and formal system of communication, division of labour, coordination, control, authority and responsibility required to achieve an organisation's goals (Ali et. al, 2012, Hamel & Prahalad, 2001). One way of thinking about an organisation's design is as a complex web that reflects the pattern of interactions and coordination of technology, tasks and human components (Silvestri, 1997). Although design is often thought of in terms of organisational structure, an organisation's design is much more complex and detailed than the lines and boxes that appear on an organisational chart (Champoux, 2000). As Ali et. al (2012) concluded, the design actually determines the

structure of the organisation in order to suit technology, people and tasks of the organisation.

Lynch (2012) stated that the main elements of organisation design, such as that of older organisations, tend to be more formal, and the growing size of a business creates the need for formal methods of communication and greater co-ordination. Nayak (2015) affirmed that an organisation typically moves from being a flat structure of decision making to a structure of greater hierarchy as it increases in size. Under normal circumstances, increases in size lead to chaos and the consequent loss of control of operations. This in turn would reduce efficiency. In order to reduce chaos, loss of control and increase efficiency, a larger organization is compelled to introduce a hierarchy of managers for better control and efficiency.

Nayak (2015) also supported that hierarchies in organizations create distances between the participants or the members within an organization. This leads to reduction in participation, democratic decision making processes, transparency and freedom.

Lynch (2012) supported that the technical content of the work in a standardized mass production controls the workers and their actions. Also, different tasks in different parts of the organisation such as operations (production) are not the same as those of the sales and marketing areas. An organisation with an open culture is willing to accept change and has a desire to experiment and progress.

### **Research questions**

1. Did the organization design affect the development of the sauce factory?
2. Did management make the necessary changes to improve the efficiency and performance of the sauce factory?
3. Could the research findings be transferred to other businesses?

### **METHODOLOGY**

An interview is a powerful discussion between two or more people (Kahn and Cannell, 1957). Saunders et al. (2007) states that the nature of interviews should be consistent with the research objectives, research questions, purpose of the research and the adopted research strategy.

Patten M. and Newhart M. (2018) explained that qualitative interviewing is a complex activity that requires skill that is acquired through practice. Interviews of all types are often face to face, and researchers frequently record interviews after obtaining permission. Leavy (2014) and Warren (2002) stated that interviews in the semi-structured format are sometimes equated with qualitative interviewing. The interviewer has a great chance of becoming visible as a knowledge-producing participant in the process itself, rather than hiding behind a preset interview guide. Patten M. and Newhart M. (2018) supported that semi-structured interviews are popular in part because thinking through the wording of questions carefully in advance allows researchers to consider if the question is complete, or if it is biased or leading. Semi-structured interviews combine this strength with the ability to deviate from the guide in order to collect the most useful information.

A semi-structured interview format was used for the analysis of the Delicious Sauce Ltd. The researcher interviewed four members of the management team and three employees of the sauce factory. The interview session for each participant lasted between ninety minutes to one hundred and twenty minutes. At the time of the research there were fourteen employees in the sauce factory. The interviews accounted for fifty percent of the workforce. The interview session included questions about the organization design, strategic plan, communication, investment in new food technology, production processes, product development, promotion methods, distribution of products, recruitment, training and performance of employees and market characteristics among others. The researcher allowed the interviewees to speak freely about the problems faced by the Delicious Sauce Ltd and the possible solutions.

### **ANALYSIS**

The researcher investigated the impact of organization design on the expansion of the sauce factory. Communication between management and personnel, the clarification of the management roles in the business, the arrangement of jobs and duties of personnel, the development of new products, the production processes, the absence of a concrete marketing plan and the investment in food technology were the factors affecting the structure and expansion of Delicious Sauce Ltd in the market.

Respondent A explained that “Communication between the sales team and management is difficult as there is a lack of coordination when taking and submitting orders from customers. For example, a sales

person receives most of the orders during the day, but there are also a few orders in the afternoon. A lot of times the afternoon orders are not processed efficiently by the sales people and management”. Respondent C supported that “sales people are sometimes so busy with the preparation of the orders that they forget to double check if the orders are correct and on their designated routes”. The management of Delicious Sauce Ltd and the researcher prepared a strategic plan to improve the organization design by defining the management team roles in the organization, designing a clear set of duties and developing procedures for the recruitment and training of salespeople.

Respondent B described the situation in the production department where the machines were not technologically advanced and were positioned in the wrong places. Respondent D added that “When we are carrying cases full of vegetables, we have to go around the machines and a rack of spices to reach our bench”. Respondent H suggested that “we need to make fresh products according to orders from customers instead of stocking products in the refrigerator. Sometimes it takes two months to sell certain products”. The management took into consideration the suggestions of the respondents to invest in food technology. While the research was being carried out, they visited exhibitions of new machines and equipment for food producers. The management and the researcher discussed the specifications and capabilities of the new machines. They prepared and presented a financial plan to their bank. They purchased two machines in order to improve the production processes in the sauce factory.

Respondent A explained that the consumers are constantly looking for new products especially young ones. The respondent recognized the need to create a process where sales people, marketeers and management engage in the product development phase. Respondent Y also supported that “the improvement of the quality of existing products and the development of new products should be a normal business process in our company”. Respondent A explained that “we need to implement new methods in promoting our products on the market”.

The management and the researcher designed a procedure to develop new products that meet the needs of new customers. They also created a marketing plan to promote the new products on the market.

### **PRACTICAL RECOMMENDATIONS**

The research was an invaluable experience for the management of the Delicious Sauce Ltd. The researcher offered the following recommendations to management:

#### **1. Define management team roles in the business.**

The researcher analysed the organization design of the business. He worked together with the management team to design the duties and responsibilities required in different positions in the business. The sales manager focused on the development, implementation and evaluation of the marketing strategy instead of interfering with the production department. The production manager, who happened to be the general manager of Delicious Sauce Ltd, assigned his responsibilities in production to a newly hired manager. Thus, he was able to focus on the

management of the business as in the production department there was already an experienced operations manager. The accounting manager concentrated on the management of the business accounts. She was previously responsible for the sales of products to the customers by phone. This arrangement caused many problems and dysfunctionalities in the accounting department. Management decided to dedicate the sales promotion to a different employee. This in effect helped the accounting manager to focus on the efficient preparation of the financial accounts. The sales manager, the sales employees and the product distributors managed to improve the delivery service and increase product sales. The reallocation of duties and responsibilities improved communication among management and employees, helped employees understand their duties, increased customer satisfaction, enhanced the business brand in the market and increased product sales.

#### **2. Recruitment and training of salespeople to sell products on the market.**

The company had selling route gaps in the market. According to management, there were geographic areas and business customers that were not served adequately. The frequency of the distribution of products, the level of promotion of products, the payment for products, and communication with customers were factors affecting the sales service of Delicious Sauce Ltd. The researcher worked closely with the management team to identify the problems and to implement solutions on the sales routes. They decided on redesigning the sales routes, the recruiting and training of

additional salespeople and purchasing technological equipment and software. The addition of new salespeople supported management's efforts in serving customers more frequently and promoting new products. The redesigning of sales routes simplified the distribution of products to customers. In addition, management purchased and implemented new technology equipment such as GPS and mobile devices to track the products while updating the central inventory system. The sales and distribution personnel were well equipped and trained in the new technology to serve customers. Management conducted a survey to measure customer satisfaction. The evaluation would allow management to further improve customer satisfaction and develop new products.

**3. Develop new products to meet the needs of new customers.**

The development of new products that meet the needs of new customers has become a major pillar of the company's business strategy. The management has realized the importance of meeting customers' demands for a different taste in sauces, appetizers, salads, new ingredients and health food in order to increase sales, profitability and product recognition. They have strived to diversify their product portfolio to attract new customers and therefore expand their customer base and market share. The researcher analysed and presented an innovative system and promotion methods to management. He suggested the design and implementation of a system where the salespeople, management and production team shared product ideas once a month. The philosophy of the specific system was to

suggest new ideas or new ingredients that the three groups could discuss and develop further into new products. At the same time, the people involved in the process could recommend marketing methods for the new products. The instalment of the innovative system in Delicious Sauce Ltd was to exchange ideas on new products and match specific marketing methods.

**4. Develop a marketing plan to promote new products that meet customers' demands.**

The development of the marketing plan included the design of new products to capture customer trends. The researcher designed training sessions for the management team and employees concerning the promotion methods of the products on the local and global markets. The training sessions included the use of print media such as leaflets, product labels, billboards to effectively promote the products. Social media such as Facebook, LinkedIn and social media techniques became an integral part of training.

During training the researcher analysed consumer characteristics, identified the strength of the products, described current competitors and shaped a combination of promotion methods to support the sale of products on the market. Management opted for a variety of print media and designed leaflets, placed advertisements on the vans and printed cards with ingredients to inform customers about the characteristics of the different products. The development of a web site with updated information and the use of a social media account supported the promotion of the products and the development of brand awareness.

### **Transferability**

The research findings and recommendations for the Delicious Sauce Ltd could be transferred to businesses in different economic sectors. The case study findings revealed that the change in organization design could improve the management practices and decisions, employee performance and customer satisfaction, innovation, production and promotion of products. In addition, the research on the organization design aided management to set up a robust business strategy.

### **CONCLUSION**

The collaboration of Delicious Sauce Ltd and the researcher produced valuable and positive outcomes. The analysis of the organization design revealed weaknesses in the clarification of management roles, arrangement of jobs and duties of personnel, communication between management and personnel, production processes, sales routes, innovation and promotion of products.

A business strategy was designed and management reconsidered the business' position in the market by meeting its objectives. The management roles, employees' job duties and responsibilities, production processes, technology in production and sales, development of new products, marketing methods for products, employee and customer satisfaction were analysed in detail.

From the start, the researcher and the business owner defined the management team's roles in the organization. They agreed on the clarification of management roles by preparing and presenting the specifications to the managers. This in effect improved the

decision making process, the implementation and the evaluation of management decisions. The clarity of management decisions supported employees when facing up to their responsibilities in an accurate and efficient manner.

Secondly, the management designed a set of duties and responsibilities for the employees, who benefited from the clarification of their responsibilities by improving their performance and satisfaction.

Thirdly, management invested in new food technology to improve employee performance and the efficiency of the production processes. In effect, the advancement in food technology enhanced the quality of the products.

Lastly, management prepared a survey and questionnaires to evaluate employee and customer satisfaction. The collection and evaluation of employee feedback on job satisfaction and the comments of the customers about the service and the product quality of the Delicious Sauce Ltd are now perceived as essential to the long term success of the business.

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## Article 2

### **Managing stress: A valuable asset of leadership effectiveness**

**Afxentiou Georgios; Malkawi Elena;  
Antoniades George**

#### **ABSTRACT**

**Purpose** – The research aimed to investigate the relation of stress management and leadership effectiveness through the evaluation of decision making, negotiation and conflict resolution competences. Researchers investigated whether middle-level managers in the hotel industry should consider their own stress management capabilities a resource to achieve higher effectiveness.

**Design/methodology/approach** – The researchers used the fixed research method and the deductive approach to investigate the impact of stress management on leadership effectiveness in the hotel industry. Questionnaires as a quantitative method were applied to one hundred and forty-six middle-level managers of three-star, four-star and five-star hotels in Cyprus. The questionnaires used the likert scale and contained seventy eight questions referring to stress management, decision making, negotiation and conflict resolution. The questionnaire took between twelve and fifteen minutes to complete. The regression analysis and correlation coefficient of the data were conducted with the use of SPSS software.

**Findings** – The final data analysis revealed that the correlation coefficient of the sum of all three dependent variables (decision making, negotiation and conflict resolution) was .506, which therefore indicated a strong relation between leadership effectiveness and stress management.

**Practical implications** – The researchers recommended that hotel owners should consider decision making, negotiation and conflict resolution competences for recruiting, training and evaluating middle-level managers.

**Originality/value** – The researchers focused on stress management and leadership effectiveness in the hotel industry in Cyprus where there no prior studies. They also identified a strong relation of stress management and leadership effectiveness with the analysis of three competences: 1. Decision making, 2. Negotiation and 3. Conflict resolution.

**Keywords:** *Stress management, leadership effectiveness, hotel industry, decision making, negotiation, conflict resolution, resilience, job demands.*

## **INTRODUCTION**

The hotel industry in Cyprus is driven by the complex and dynamic demands of its customers, as well as by the demands of tough competition. Employment in the industry is cyclical, commonly on short-term contract basis, and constantly subject to changes in global economics. Altogether, the demands of the job and conflicts between work and non-work priorities are major sources of job-related stress for employees. Due to the very close link between people and organizational performance, between healthy people and healthy organizations, and between healthy organizations and benefits to all societal stakeholders, the leader's capability to manage everyday job stresses is a strategically valuable resource in the hospitality business (Lowe, 2011).

Researchers investigated whether middle-level managers in the hotel industry should consider their own stress management capabilities a resource to achieve higher effectiveness. To evaluate leadership effectiveness, this study has focused on the decision-making, negotiation, and conflict resolution competencies of middle-level managers, which are generally influenced by the stress management capability of a leader. The understanding of this impact provides both researchers and practitioners with valuable knowledge on how to improve leadership and organizational effectiveness.

### **Research aim**

The research aims to investigate the impact of stress management on leadership effectiveness.

### **Research objectives**

1. To study literature on the impact of stress management on leadership effectiveness.
2. To evaluate the impact of stress management through decision making, negotiation and conflict resolution competences on leadership effectiveness.
3. To integrate the theoretical aspects of this research with the practical implementation in the hotel industry.
4. To prepare a set of recommendations to improve leadership effectiveness in the hotel industry.

### **Research questions**

1. What are the implications of stress management on leadership effectiveness?
2. What are the leadership competences needed by the hotel industry?

## **LITERATURE REVIEW**

### **Stress management**

Individuals differ as to what they view as stressful and how they react to stress depending on their personal resources (Lazarus and Folkman, 1984). It has been consistently observed that some individuals seem to manifest a greater capacity for coping with high work demands far more successfully than others. Workers that can

cope with work demands show “high resilience” (Winwood, Colon, McEwen, 2013, p.1205). The concept of work resilience has been extensively explored and researched (Britt, Shen, Sinclair, Grossman, Klieger, 2016; Becker, Ferry, 2016; Robertson, Cooper, 2011; MacEachen, Polzev, Clarke, 2008). Within the concept of work resilience, stress management is identified as a component of personal resilience and described as employing work and life routines that help manage everyday stresses, maintain work-life balance and ensure time for relaxation (Winwood, Colon, McEwen, 2013, p.1207; McEwen, 2012, p.156). Trait emotional intelligence theory (Petrides, 2010, p.137) described stress management as capability to withstand pressure and regulate stress.

There is a gap in literature review regarding the relationship between stress management (as a self-reported capacity) and leadership effectiveness, whereas there exists an extensive body of research on the relationship between personality-based resilience and performance (Hobfoll, Stevens, Zalta 2015; Luthans, Avolio, Avey, & Norman 2007). Britt et al. (2016) stated, when studying employee resilience, researchers needed to document the presence of stressors in the workplace that constitute significant adversity. However, many of the traditional work stressors including job ambiguity, work overload, and organizational constraints, do not constitute significant adversity, especially if these stressors are not judged to be of a high intensity and/or of a long duration (Britt, Shen, Sinclair, Grossman, Klieger, 2016, p.382). Literature reviews do not reveal the presence of stressors that can lead to

significant adversity among middle-level managers. Therefore, the concept of stress management as a component of work resilience was chosen for the purpose of this research.

### **Effective Leadership**

A number of studies have been conducted to formulate and develop competency models as tools to recognize and categorize competences required to perform a certain job effectively in an organization (Zenger, Folkman, Steel, Sherwin, 2012; Chung-Herrera, Enz, Lankau, 2003). Leadership competency models provide a structured framework for defining, evaluating and developing those behaviors and skills that have the biggest impact on leadership effectiveness and therefore, on an organization's performance.

Regarding leadership behavior, it is commonly agreed that leaders exercise influence by taking actions that shape the behavior of others (Yukl, 1994; Bass, 1990; Fleishman, 1973). However, leaders must not only exercise influence, they must decide when, where, and how influence will be exercised to bring about the attainment of social goals (House & Howell, 1992; Winter, 1991; Mumford, 1986). To integrate results from a large number of studies that classify and measure effective leadership behaviors, Gary Yukl proposed a hierarchical taxonomy with four meta-categories: task-oriented, relations-oriented, change-oriented, external; and 15 specific component behaviors (Yukl, 2012, p. 68).

Skills are not equivalent to actual behavior, but they could help us understand why some leaders are able to select relevant behaviors

and use them more effectively (Yukl, 2012, p. 77). Therefore, skills-based research does not discount the value of behavioral approach. In fact, it extends this approach by identifying some of the capabilities needed to engage in these behaviors at appropriate times and places (Mumford, Zaccaro, Connelly, Marks, 2000, p.167). Broadly the defined skills of an effective leader could be grouped as: cognitive, interpersonal, business, and strategic (Ferris, Treadway, Perrewe, Brouer, Douglas, & Lux, 2007; Zaccaro, 2001; Mintzberg, 1973; Katz, 1974; Mann, 1965).

Literature review reveal several competency models (Shum, Gatling, Shoemaker, 2018; Weerakit, Beeton, 2018; Bharwani, Talib, 2017; Thio, King, 2016) which examine the managerial competencies in the hotel industry as perceived by a variety of hospitality professionals and different functional areas such as food and beverage, room division, and sales within a classified hotel, such as three-star, four-star, and five-star hotels. Also, no prior studies have been conducted to identify middle-manager competencies needed by the hotel industry in Cyprus.

### **Relationship between research variables**

Operational goals for middle-level managers in the hotel industry are commonly defined in the areas of revenue management, procurement, partnership, staffing and hiring. Based on literature review, there are three essential competences required for successful achievement of those goals: decision-making, negotiation, and conflict resolution.

Decision-making process creates a number of challenges for managers, for example the

rapidly growing volume of information, as well as the speed of information. In addition new technologies constantly create new challenges for decision-makers, who are struggling to stay competitive. The pathologies that could result from such challenges range from exhaustion and burnout to impaired judgment, suboptimal decision making, wasted effort, and reduced productivity (Knippenberg, Dahlander, Haas, George, 2015, p. 650). Therefore, a manager's ability to withstand stress contributes to successful decision-making.

Thus we hypothesized that:

**Hypothesis 1:** Stress management was positively related to the decision-making competence of middle-level managers in the hotel industry.

Some studies on hospitality management competences show that interpersonal skills are the most important competency (Weerakit, Beeton, 2018). Through the negotiation process, under the pressure of time, a manager needs to find the right balance between organizational interests and the interests of partners, customers, employees and to successfully communicate the solution to all parties. The level of a leader's ability to manage stress influenced the negotiation competences.

Thus we hypothesized that:

**Hypothesis 2:** Stress management was positively related to negotiation competence of middle-level managers in the hotel industry.

Challenges in conflict resolution processes for middle-level managers occur as a result of working within a group of complex, dynamic, and conflicting individuals.

Thus we hypothesized that:

**Hypothesis 3:** Stress management was positively related to the conflict resolution competence of middle-level managers in the hotel industry.

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Insert Figure 1 about here  
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SM = Stress Management, DM = Decision Making, N = Negotiation, CR = Conflict Resolution, LE = Leadership Effectiveness

Dependent variable: Leadership effectiveness (LE)

Independent variable: Stress management (SM)

Intervening variables: Decision making (DM), Negotiation (N), Conflict resolution (CR)

## **RESEARCH DESIGN**

The researchers used the fixed research method and the deductive approach to investigate the impact of stress management on leadership effectiveness in the hotel industry. Patten and Newhart (2018) explained that quantitative research can help to extend the generalizability of information that was discovered through exploratory research. Quantitative researchers were able to work with large samples because objective

measures such as anonymous, objective questionnaires are usually easier to use when administering large numbers of participants in a short amount of time.

Questionnaires as a quantitative method were applied to one hundred forty six middle-level managers of three-star, four-star and five-star hotels in Cyprus. The questionnaires used the likert scale and contained seventy eight questions referring to stress management, decision making, negotiation and conflict resolution. The questionnaire took between twelve and fifteen minutes to complete. The regression analysis and correlation coefficient of the data was conducted with the use of SPSS software.

### **Sampling**

Patten and Newhart (2018) stated that sampling has been developed so that researchers can study a subset of the population of interest and use analytical methods that allow them to make inferences about the population. The population (N) in this research was the total number of all-star hotels in Cyprus, which accounted for two hundred fifty four hotels (Cyprus Tourism Organization, 2019). This group of hotels included all categories, from one-star to five-star hotels. The sampling (n) is the number of three-star, four-star and five-star hotels, which accounted for one hundred seventy five hotels. There were eighty nine three-star hotels, fifty eight four-star hotels and twenty eight five-star hotels. The percentage of the sample is 68.89% of the total population of hotels. The selected sample of hotels had 90.35% of the total bed capacity of all categories of hotels in Cyprus (Cyprus

Tourism Organization, 2019). The reason for choosing three-star, four-star and five-star hotels was that their organizational design offers more managerial levels compared to one-star and two-star hotels. Also, the selected sample has the majority of the bed capacity in the hotel industry.

### **Statistical Methods**

Fixed research methods: Quantitative method

The data collected from the questionnaires was analyzed with the SPSS software. The researchers applied the Pearson product-moment correlation coefficient. The Pearson (r) measures the degree of linear correlation between two variables (Pallant, 2016). The independent variable was stress management, the intervening variables were decision making, negotiation and conflict resolution. The dependent variable was leadership effectiveness. The statistical results revealed that stress management positively affected the studied factors; 1. Decision making, 2. Negotiation, 3. Conflict resolution. Therefore the leadership effectiveness could be affected by stress management.

### **ANALYSIS AND FINDINGS**

The Pearson correlation (r) revealed positive relationships between stress management, decision making, negotiation and conflict resolution.

**Hypothesis 1:** Stress management is positively related to decision-making competence of the middle-level managers in the hotel industry.

Hypothesis 1 stood true as (r) indicated a positive correlation value of .332 for stress management and decision making. According to Cohen (1988) this specific value is of medium strength. The research output revealed that stress management affects the decision making competence of middle-level managers.

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Insert Table 1 about here

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Question 26 is about decision-making and is focused on the resistance of negative thoughts and the thinking of positive alternatives of leaders. Fifty-five percent of the respondents agreed with the statement where twenty-four percent strongly agreed. Only eight percent of the respondents disagreed and two percent strongly disagreed with the above statement. It appeared that leaders were considering the management of emotions as a vital tool in designing alternative solutions.

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Insert Figure 2 about here

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**Hypothesis 2:** Stress management is positively related to negotiation competence of middle-level managers in the hotel industry.

Hypothesis 2 stood true as (r) indicated a positive correlation value of .478 for stress management and negotiation. According to Cohen (1988) this specific value is of medium strength. Negotiation competence has a stronger relation to stress management compared to decision making competence. The research output revealed that stress

management affects the negotiation competence of middle-level managers.

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Insert Table 2 about here

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Question 50 focused on the leaders' emotions in confronting someone about a problem. The specific question revealed that 6.52% strongly disagree, 36.96% disagree, 32.6% neither agree neither disagree, 21.74% agree and 2.17% strongly agree. It appeared that 43.48% are eager to confront someone to reach a solution where 23.91% of the participants were not willing to engage in a confrontation. A large group of managers were capable of managing their stress and emotions in order to find and implement solutions in their organizations. In this manner they were able to discuss and to negotiate aspects of a problematic situation with personnel, colleagues and partners.

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Insert Figure 3 about here

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**Hypothesis 3:** Stress management is positively related to the conflict resolution competence of middle-level managers in the hotel industry.

Hypothesis 3 stood true as (r) indicated a positive correlation value of .381 for stress management and conflict resolution. According to Cohen (1988) this specific value is of medium strength. Conflict resolution competence has a stronger relation to stress management than decision making competence, but a weaker relation compared to negotiation competence. The research

output revealed that stress management affects the conflict resolution competence of middle-level managers.

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Insert Table 3 about here

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Question 71 referred to the management of stress, feelings and emotions in handling conflicts or disagreements. The results on this question revealed that 8.89% strongly agreed, 60% agreed, 24.44% neither agreed nor disagreed, 6.67% disagreed and 0% strongly disagreed. It appeared that managers were capable of managing their stress and emotions so they could handle conflicts or disagreements. This in essence validates the positive correlation of stress management and conflict resolution.

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Insert Figure 4 about here

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A final analysis of the summation of the correlation coefficient of decision making, negotiation and conflict resolution competences with stress management revealed a value of .506. This specific value falls into the very strong category according to Cohen (1998). Even though the correlation coefficient of each competence was under .490 the summation of all three competences revealed a strength above .500. Therefore leadership effectiveness was strongly related to stress management.

The management of stress, feelings and emotions were linked to the managers'

decision-making, negotiation and conflict resolution competences. Questions 26, 50 and 71 were part of the questionnaire that validated the statistical results of the correlation coefficient of the independent, intervening and dependent variables. Stress management capabilities of managers on decision-making, negotiation and conflict resolution were invaluable to leadership effectiveness in organizations.

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Insert Table 4 about here

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## CONCLUSION

The tourism industry is a vital financial asset of Cyprus. Hotel owners strive to improve the quality of customer service and there is a strong demand for competent and effective managers in their hotels. The research focused on the impact of stress management on leadership effectiveness by investigating the decision making, negotiation, and conflict resolution competences. The researchers contributed to the theory by finding a strong relationship when all three competences are combined and compared to stress management. A relationship of medium-strength is identified when each competence is compared to stress management. The researchers also supported the hotel industry by making recommendations about the recruitment, training and evaluation processes of middle-level managers.

## **PRACTICAL IMPLICATIONS**

### **RECOMMENDATIONS**

#### **Recommendation 1: Recruitment of middle-level managers**

The hotel administration and the human resources team could develop a recruitment questionnaire containing the decision making, negotiation and conflict resolution competences for candidates in management positions. The research findings showed that leadership effectiveness through these competences is related to stress management. Managers that have high leadership effectiveness in the organization are able to manage stress better than others. In effect, managers that hold these competences could lead organizations to achieve better financial and non-financial results.

#### **Recommendation 2: Training of middle-level managers**

The training of managers is a continuous and invaluable learning activity for organizations. The training program could include modules that improve the decision making, negotiation and conflict resolution competences of managers. A solid training program with interactive activities that contain these competences could support managers becoming effective leaders in the organization.

#### **Recommendation 3: Evaluation of middle-level managers**

The constant development of organizations depends on many factors including the competences of their managers. The

evaluation schemes of hotel administration and human resources could include decision making, negotiation and conflict resolution competences. These competences reveal that leadership effectiveness is affected by stress management. Managers that achieve high scores in these competences could become effective leaders within an organization.

### **ORIGINALITY/VALUE**

The researchers focused on stress management and leadership effectiveness in the hotel industry in Cyprus where there are no prior studies. They also identified a strong relation between stress management and leadership effectiveness with the analysis of three competences: 1. Decision making, 2. Negotiation and 3. Conflict resolution.

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**Table 1: Correlation coefficient of Stress Management and Decision Making**

Total Stress Management - Total Decision Making

Total Stress Management

Pearson Correlation 1.000 .332\*\*

Sig. (2-tailed) .000

N 146.000 146

Total Decision Making

Pearson Correlation .332\*\* 1.000

Sig. (2-tailed) .000

N 146 146.000

\*\*. Correlation is significant at the 0.01 level (2-tailed).

**Table 2: Correlation coefficient of Stress Management and Negotiation**

Total Stress Management - Total Negotiation

Total Stress Management

Pearson Correlation 1.000 .478\*\*

Sig. (2-tailed) .000

N 146.000 146

Total Negotiation

Pearson Correlation .478\*\* 1.000

Sig. (2-tailed) .000

N 146 146.000

\*\*. Correlation is significant at the 0.01 level (2-tailed).

**Table 3: Correlation coefficient of Stress Management and Conflict Resolution**

Total Stress Management - Total Conflict Resolution

Total Stress Management      Pearson  
Correlation      1.000      .381\*\*

Sig. (2-tailed)      .000

N      146.000      146

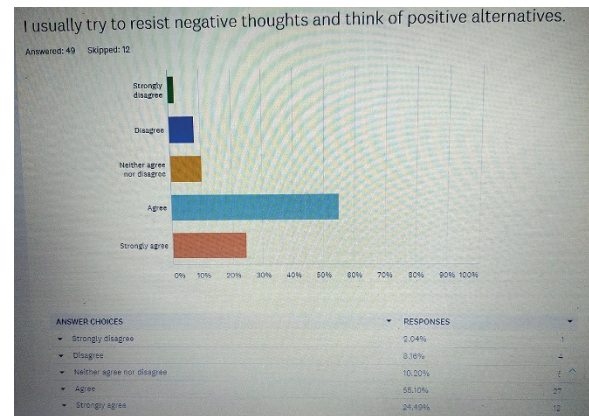
Total Conflict Resolution      Pearson  
Correlation      .381\*\*      1.000

Sig. (2-tailed)      .000

N      146      146.000

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Figure 2: Q26 on Decision-making**



**Table 4: Correlation coefficient of Stress Management and Leadership Effectiveness**

Total Stress Management - Total Leadership Effectiveness

Total Stress Management

Pearson Correlation      1.000      .506\*\*

Sig. (2-tailed)      .000

N      146.000      146

Total Leadership Effectiveness

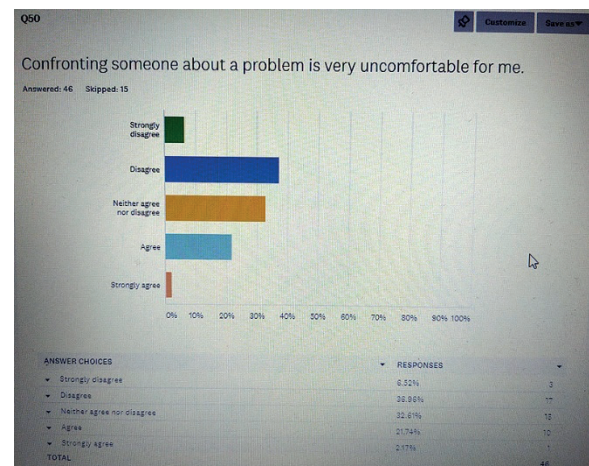
Pearson Correlation      .506\*\*      1.000

Sig. (2-tailed)      .000

N      146      146.000

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Figure 3: Q50 on Negotiation**



**Figure 4: Q71 on Conflict resolution**



close link between people and organizational performance, between healthy people and healthy organizations, and between healthy organizations and benefits to all societal stakeholders, the leader's capability to manage everyday job stresses is a strategically valuable resource in the hospitality business (Lowe, 2011). Researchers will evaluate the impact of stress management on the decision making process of middle-level managers. The understanding of this impact provides both researchers and practitioners with valuable knowledge on how to improve decision making, leadership and organizational effectiveness.

## DEVELOPMENTAL PAPERS

### Paper 1

#### **The study of the decision making process of leaders under the shadow of stress**

**Afxentiou Georgios, Antoniadis George, Malkawi Elena**

### INTRODUCTION

The hotel industry in Cyprus is driven by the complex and dynamic demands of its customers, as well as by the demands of tough competition. Employment in the industry is cyclical, commonly on a short-term contract basis, and constantly subject to changes in global economics. Altogether, the demands of the job and conflicts between work and non-work priorities are major sources of job-related stress for employees. Due to the very

### Research aim

The research aims to investigate the impact of stress management on the decision making process.

### Research objectives

1. To study literature on the impact of stress management on the decision making process.
2. To evaluate the impact of stress management on the decision making process.
3. To integrate the theoretical aspects of this research with practices in the hotel industry.
4. To prepare a set of recommendations to improve the decision making process of leaders in the hotel industry.

### Research questions

1. What are the implications of stress management on the decision making process?

2. Why is the decision making process important to leaders in the hotel industry?

## **LITERATURE**

### **Stress Management**

Stress can be defined as a subjective and physiological state characterized by a combination of displeasure and high arousal (Kristensen et al., 1998). According to Saadat V. (2015) without stress, life would be static and stagnant, and without stress people would be lazy. On the other hand, high levels of stress imbalance a body's system and dysfunction its efficiency. Therefore, a manager without stress will not get things done and would not stay competitive within his/her environment. A hotel manager's efficiency will also be affected if high levels of stress affect him/her. Malta M. (2004) also suggests that stress related to one's occupation can be described as any discomfort which is felt and perceived at a personal level and is caused by instances, events, or situations that are too intense, frequent in nature and therefore difficult to handle adequately. In order to avoid this, managers need to learn how to manage stress. In fact, many organizations worldwide offer stress management programs in an acknowledgment of stress as a factor that affects organizational performance and the well-being of employees (Dolan, 2007).

Individuals differ as to what they view as stressful and how they react to stress depending on their personal resources (Lazarus and Folkman, 1984). It has been consistently observed that some individuals

seem to manifest a greater capacity for coping with high work demands far more successfully than others. Workers that can cope with work demands show "high resilience" (Winwood, Colon, McEwen, 2013, p.1205).

Rook C. et al. (2019) mention that one considerable result of stress is behavioral strain. Behavioral strain refers to the ways in which stress affects an individual's behavior. For example: work role disruptions, aggressive behavior at work, disruptions to non-working life and self-damaging behaviors (Kahn & Byosiore, 1992). It is then of great importance for a manager to be able to minimize stress levels in order to avoid their negative effects on his work.

### **Decision making and stress management**

Decision-making is defined as the process of choosing a preferred option or a course of actions from among a set of alternatives on the basis of given criteria or strategies (Wang et al., 2004; Wilson and Keil, 2001). In addition to the definition given, Gidron Y. et al. (2012, p. 219) state that decision making, involves consideration of alternatives, processing information concerning situational and personal constraints, in relation to the achievement of a goal or a problem that needs solving. Decision making for middle-level hotel managers is a process that they must go through such as when dealing with top management, guests, customers, suppliers and partners. Challenges for middle-level managers include a rapidly growing volume of information, as well as the speed of incoming information. In addition, new technologies constantly create new challenges

for decision-makers, who struggle to stay competitive. Pham M. (2011) found that the type of stress, and not just the amount of stress, can have a significant impact on people's abilities to engage in cognitive tasks. Dynamic work environments like those existing in a hotel can cause a variety of stressful situations such as customer complaints, budget and resource allocation, employees work schedules. The challenges for a hotel manager vary especially in the hotel industry in Cyprus, where competition is fierce. The pathologies that could result from such challenges range from exhaustion and burnout to impaired judgment, suboptimal decision making, wasted effort, and reduced productivity (Knippenberg et al., 2015, p. 650). While existing literature focuses on stress management techniques and the effects of stress on work or personal life, there is very little information of the relationship between stress management and the decision making process. No research on stress management in the hotel industry in Cyprus has been found.

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## **RESEARCH PROPOSAL**

The research proposal focuses on the investigation of the impact of stress management on the decision making process. A previous study of the researchers revealed that stress management is positively related to decision making with a correlation (r) value of .332. Presently, the researchers aim to identify and to analyze the degree of impact of stress management on different stages in the decision making process such as the generation of alternative solutions to a specific problem. By studying the literature review we have identified three decision making models; 1. The classical model of decision making, 2. Phases in security risk planning and 3. Vroom-Yetton-Jago decision model. From those models we will analyze the processing of information and generating alternatives that meet the needs of an organization. Therefore, the investigation of the relationship between stress management, process of information and generation of alternatives could be valuable to academics and leaders in the hotel industry. An improvement of the decision making process might increase profitability, improve employee management relationships and customer satisfaction among others.

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Insert Table 1 about here  
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## **CONCLUSION**

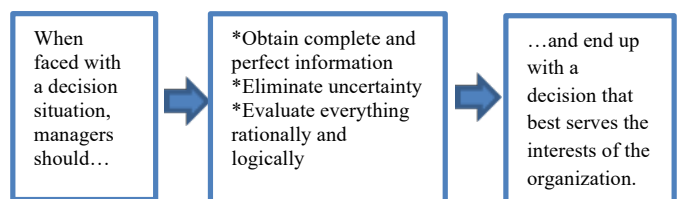
Stress can be defined as a subjective and physiological state characterized by a combination of displeasure and high arousal (Kristensen et al., 1998). Stress management, is the ability of a person to manage stress in

difficult situations. It is a particularly important ability because high stress levels could have a negative impact on one's life and psychological wellbeing. Gidrona Y. et al. (2012, p.219) state that decision making involves consideration of alternatives, processing information concerning situational and personal constraints, in relation to the achievement of a goal or a problem that needs solving. In business decision making, recognition of a problem is the beginning of the process, and this will trigger the search for information to solve the problem. Stress management could influence to a high degree the decision making process of leaders. The research investigation of these factors could be beneficial for academics and practitioners in the hotel industry.

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**Figure 1: The classical model of decision making**



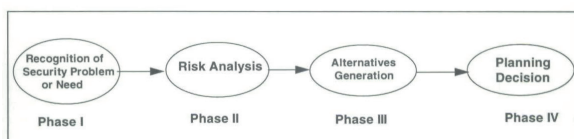
**Table 1: Correlation coefficient of Stress Management and Decision Making**

		Total Stress Management	Total Decision Making
Total Stress Management	Pearson Correlation	1.000	.332**
	Sig. (2-tailed)		.000
	N	146.000	146
Total Decision Making	Pearson Correlation	.332**	1.000
	Sig. (2-tailed)	.000	
	N	146	146.000

\*\* Correlation is significant at the 0.01 level (2-tailed).

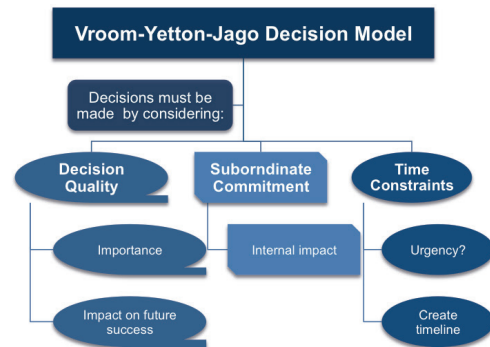
Source: Griffin W. R. (2008, p. 238)

**Figure 2: Phases in security risk planning**



Source: Straub W. D. (1998)

**Figure 3: Vroom-Yetton-Jago decision model**



Source: Lührs, N. et al. (2018)

## Paper 2

### An innovative organisational design of small and medium wineries

**Afxentiou Georgios**

#### ABSTRACT

Small and medium wineries in Cyprus face many obstacles in penetrating the global market as evidenced by limited or sometimes even non-existent export revenues from Cyprus wineries (Cyprus statistical service, 2019). Addressing this problem, the purpose of this proposal is to develop an innovative organisational design to enhance the export strategy of small and medium wineries.

**Keywords:** *Organisational design, business strategy, Cyprus, exports, wines, export strategy, leadership, globalisation.*

## **INTRODUCTION**

Wineries in Cyprus struggle to penetrate the global market. A few wineries of different organizational designs have succeeded in exporting wines to various countries. The organizational design is the planning of resources and processes in an organization. Businesses implement an organizational design to better manage their products, services, processes, employees, suppliers, customers and managers. The efficient and effective application of resources and processes helps management to develop a robust strategy in an organisation. The researcher delved into the different types of organisational design and strategy as part of his research. Academic research and business cases were also analysed and cross examined to provide valid and meaningful findings for the benefit of academics and practitioners.

## **LITERATURE**

Organisation design is a systematic approach to aligning structures, processes, leadership, culture, people, practices, and metrics to enable organisations to achieve their mission and strategy (Burton M. R., Obel B., 2018). Organisational design is a broad concept referring to the process of assessing and selecting the structure and formal system of communication, division of labour, coordination, control, authority and responsibility required to achieve an organisation's goals (Ali et. al, 2012, Hamel & Prahalad, 2001). One way of thinking about an organisation's design is as a complex web that reflects the pattern of interactions and coordination of technology, tasks and human components (Silvestri, 1997).

Although design is often thought of in terms of organisational structure, an organisation's design is much more complex and detailed than the lines and boxes that appear on an organisational chart (Champoux, 2000). As Ali et. al (2012) concluded, the design actually determines the structure of the organisation in order to suit technology, people and tasks of the organisation.

Lynch (2012) stated that the main elements of organisation design, such as that of older organisations, tend to be more formal and the growing size of a business creates the need for formal methods of communication and greater co-ordination. The multidivisional organisation (M-form) is structured around separate divisions formed on the basis of products, markets or geographical areas (Lynch, 2012). Burton M. R., Obel B. (2018) explained that the M-form, or multidivisional form, is widely utilized in industry. It is structured by product, customer, or country. Chandler (1962) in his study of large American corporations, described how the M-form worked and how it was efficient as adopted by General Motors and DuPont.

Nayak (2015) stated that an organisation typically moves from being a flat structure of decision making to a structure of greater hierarchy as it increases in size. Under normal circumstances, increases in size lead to chaos and the consequent loss of control of operations. This in turn would reduce efficiency. In order to reduce chaos, loss of control and increase efficiency, a larger organisation is compelled to introduce a

hierarchy of managers for better control and efficiency.

Pavan T. P K. (2012) supported that an alliance or partnership is a relationship between two or more entities to pursue a set of mutually agreed upon goals or to fulfill a critical business need while remaining independent organisations. Alliance or partnership generally lies between Merger & Acquisition (M&A) and organic growth. Companies are actively considering alliances and partnerships to enter new markets, exploit new opportunities, to acquire competencies, to minimize the financial risk or to achieve faster growth. Alliances are essential to compete in the global arena to defray fixed costs, save on time and to reduce risk.

Griffin (2008) described that an important determinant of an organisation's design is the strategy adopted by its top managers. Both corporate and business strategies affect organisation design. Griffin (2008) also supported that developing a global strategy is far more complex than developing a domestic one.

## **RESEARCH PROPOSAL**

The development of a new Mutual (M) structural design that shares structural characteristics with those of small and medium businesses could be a useful tool. The (M) structural design aims to support small and medium wineries develop an export strategy. These wineries could adopt a business model that deploys common resources to distribute and promote wines.

They would be able to share resources and expertise as this type of structure is more flexible. A group of six wineries could share part of their resources by creating an export unit that could shape the export strategy and manage operations. They could lease or buy a warehouse, open an export office, recruit an export officer and a marketing manager to promote the wines globally. These wineries might develop a series of new or existing wines from indigenous vine varieties, and go on to produce a larger volume of wines which they would store, distribute and promote globally. An (M) structural design could provide an advantage to small and medium wineries as they would be able to share resources and engage in the exportation of wines. Wineries would not have to dissolve existing structures or cease operations, just share some of their resources on a mutually accepted structural design. This would allow them to increase profits, build up their brands and exchange knowledge and expertise with their partners.

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## **CONCLUSION**

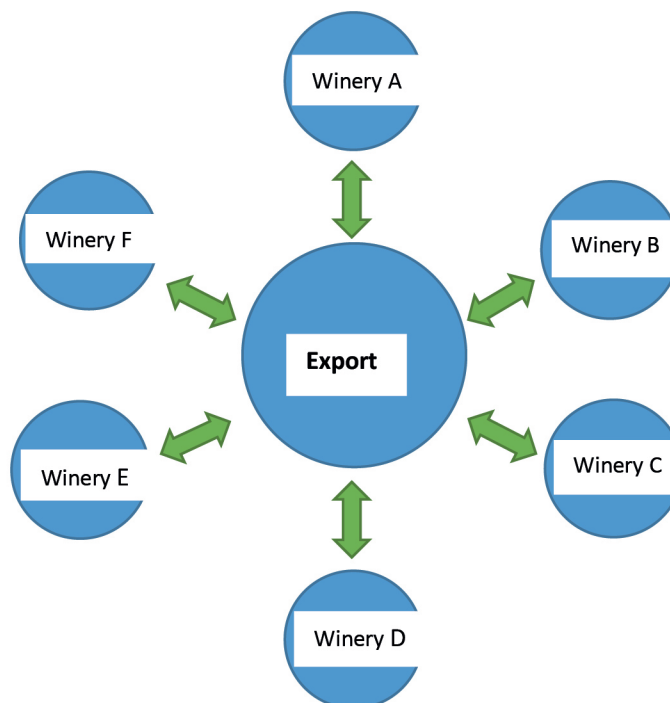
The organisational design is a fundamental component of business. The management of products, services, resources, people and processes creates a challenge for leaders. The wineries in Cyprus will benefit from the development of an innovative organisational design to support them in exporting wines. The planning of an organisational design with the combination of the development of an export strategy could boost their wine sales

abroad. The construction of the suggested (M) mutual organisational design could provide a theoretical and practical solution for small and medium wineries in Cyprus. This organisational design requires the sharing of resources and specialties of each participant business to create an export unit and succeed in penetrating the global wine market. The mutual organisational design platform is expected to create a robust structure that participant businesses can deploy to promote their wines abroad.

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**Figure 1: Mutual (M) structural design**



## SPECIAL SECTION – SHORT ESSAYS

### Essay 1

### Development of a generic 5g e-business model for sustainability in a smart hotel

**Siamarou G. Andreas**

### ABSTRACT

This paper integrates qualitative information on sustainability development of a General 5G E-Business Model for future Smart Hotels. The study investigates the terms of innovation and sustainability in the tourism

industry concepts to present a conceptual framework for a generic 5G E-Business Model (Generic-5G-EBM) for the Hotel and Tourism Industry. The case study focuses on consideration of how to use indicators to monitor innovation and sustainability in a relevant and useful manner and to design a generic 5G E-Business model for obtaining composite sustainable development criteria.

## **INTRODUCTION**

The main problem for companies in today's competitive business environment is the constant quest for finances to fuel their growth. In this context, research generally focuses on innovation and sustainability. The term innovation essentially describes a new idea that creates commercial value that is completely different from existing practice (Narverkar and Jain, 2006). Sustainability means connecting a company to its entire organic environment without damaging the relationship to ensure that the relationship continues (Wilson et al., 2007). In fact, there is a lot of research in the literature on sustainable growth and innovation. Successful innovations can be achieved, for example, through integrated development, positioning, work organization, technology and employees (Sexton and Barrett, 2003). In addition, there is a close connection between market orientation - innovation and business activity (Han et al., 1998) as well as export orientation and efficiency. Innovation (Bagchi-sen and Macpherson, 1999). The research provides theoretical reference literature for each section and formulates it according to the recommendations and the target market.

Industry 4.0 combines operational information and communication technology with physical cyber systems that support advanced wireless technology and industrial IoT services. This digital and wireless conversion is provided by 5G networks that can stimulate economic growth in the region as well as by previous generation mobile technologies. For example, security, high speed, low latency and a large number of connections in 5G networks will contribute to the transformation of industry and agriculture in the Middle East and in many African countries. This will offer new sources of income for IoT and industrial applications - and accelerate digital digitization. Our global study, 5G Business Compass - How to Understand the Business Potential of a 5G Business, found that service providers can take advantage of additional revenue opportunities in other industries such as the automotive and manufacturing 5G technology to leverage additional revenue opportunities [4].

In order to conduct an investigation and analysis properly, a critical literature review should address the following sub questions:

- a) What are the factors that need to be analyzed in order to create a 5G-E Business Value Chain model?
- b) What are the advantages of 5G over 4G in terms of speed, latency, number of connection points and range?

The impact of this contribution and beneficial effects this research brings to the wider society, economy the tourism industry, culture, and hospitality services. The case study demonstrates the difference outside academia; the world of technology especially

with 5G emerging technologies for “Smart Hotels”. This qualitative case is an innovative state-of-art contribution and innovative especially when incorporating the Porter’s Value Chain, Five forces and 5G Technology which are essential for a “Smart Hotel” to operate successfully. 5G allows fast data and real time monitoring. Industry 4.0 merges operational information and communication technologies with cyber-physical systems, enabled by advanced wireless communication and Industrial IoT services. This digital and wireless transformation is powered by 5G networks, which have the potential to drive economic growth in the tourism industry like no previous generation of mobile technology. Porter introduced a strategic positioning model and its generic strategies to establish, sustain and grow a company’s competitive advantage over its competition. The paper introduces a general 5G E-Business Model for Sustainability Development in a Smart Hotel with the use of Porter’s five forces analysis (Figure 1) in order to define the attractiveness of the industries and markets in which the organization operates.

### **Porter’s five forces**

Porter’s uses the five forces analysis [4] in order to define the attractiveness of the industries and markets in which the organization operates. Porter’s five forces analysis illustrates the potency of buyers and suppliers operating in the small cell 5G network industry.

### **Intensity of Supplier Power**

This refers to the bargaining power of suppliers, which is their ability to exert pressure and influence competitors to increase their prices leading to their profitability and other benefits at the expense to the supplier’s profitability and even competitiveness. On suppliers and their power in the smartphone industry observed that Apple has managed a complex chain of suppliers that are spread globally over several nations including United States, China, Japan, Mexico, Brazil and other countries. This huge number of limits their bargaining power with Apple. [5,6].

### **Threat of Substitutes**

Threat of substitutes refers to the level to which products and services can be exchanged with other products and services in the competitive market. For example, smartphones can be substituted by tablets which have similarities in terms of device interface, apps and functionality. However, smartphones may prove quite attractive to more customers because apart from having similar capabilities, they come in unique shapes, sizes and functionalities. [5,6].

### **Threat of New Entrants**

According to Porter, new entrants influence the level of profitability and industry attractiveness and he identifies six barriers to new entrants. The startup costs for new smartphone manufacturers are extremely high hence low threat by new entrants as this makes entry difficult. However few entrants continue to join the industry

particularly those targeting low and middle class customers [5, 6].

### **Purchasing Power of Buyers**

1. Bargaining power of buyers refers to the ability of buyers to exert pressure or influence competitors in an industry leading to their profit reductions, better quality and better services at the expense of the competitors). For example smartphone manufacturers like Samsung and Blackberry need the customers who at the same time can easily be lured by the rivals products and prices. This ultimately grants smartphone customers moderate to high bargaining power over the other smartphone manufacturers. [5,6].

## **PART B: 5G E-BUSINESS VALUE MODEL**

5G is the next generation of mobile broadband systems that will replace or at least improve 4G LTE connectivity. On 5G, you see an exponentially faster download and upload speed. It also significantly reduces the delay or time for communicating with wireless networks. 4G is changing our lives, and 5G is changing our society. 5G technology provides intelligent connectivity with everything and revolutionizes all areas. Although many industries compete with 5G, the hotel industry plays a leading role as an important part of culture and tourism. The goal is to discover new programs, experience and commercial value that 5G offers in the hotel industry [10]. All this leads to a simple connection between intelligent objects, which ultimately improves

the user experience in hotels. 5G technology connects to devices much more efficiently. This technology is currently only available in some countries, and there is no doubt that the hotel industry should accept it.

A professional traveler wants to quickly upload files or make video calls without any connection problems. Bad communication often makes this a stressful experience. Hotel events also use 5G to create the desired environment for meetings or conferences. The advantage is obvious. As users enjoy higher speeds, the need for Wi-Fi connections is reduced, as thousands of devices can be connected and simplify the actual use of technology. The virtual and zoom functions of this technology achieve amazing effects at these events. With 5G technology, you can quickly build up the hosting industry and introduce new business models. It shows a world full of opportunities that will change our lives, our work and how we deal with the environment. This technology also allows us to offer more personalized services and spend more time with customers and offer them a personal touch. In this regard, 5G is an important incentive for the service sector and gives the term "Social Services Technology" a new meaning. The capabilities of the fifth generation cellular networks do not allow us to present all the advantages that are associated with it, especially in the area where the quality of customer service is critical. 5G technology will support the global value chain ecosystem and generate \$ 3.6 trillion.

### **5G upgrades the Hotel industry with intelligent connectivity**

High-end hotels are important facilities that serve elite customers, and have long used ICT technology to become more digital and smart (Figure 3). 5G, however, is changing everything. It not only creates better connectivity for communications, but also enables intelligent connectivity using AI, cloud, big data, IoT, and more. 5G provides a strong boost to technologies including AI, cloud, big data, and IoT, and connects the information channel between devices and the cloud. As a result, we will see more intelligent devices, wide pipes, and cloud-based applications. In the future this will create new business models for the hotel industry, and improve user experience while creating unlimited possibilities [11].

### **New use cases and experiences with 5G Smart Hotels**

Currently, intelligent connectivity enabled by 5G is bringing changes to the hotel industry, transforming how guests experience their stay, as well as business activities and hotel operations. In a hotel lobby, the combination of 5G and AI will enable guests to check-in and check-out in seconds through facial recognition, which improves service efficiency and security. Robots assigned to the front desk can provide information to guests, guide guests within the hotel, and offer delivery services. This will enhance guest interaction, service quality, and customer satisfaction. Within a hotel room, 5G not only provides guests with faster, more secure Internet access, but also works with 4K/8K, VR/AR, cloud, AI, and other technologies to

provide diverse applications including UHD video, cloud PC, cloud gaming, VR rowing, and personalized recommendations. In this way, 5G will meet guest needs for business and entertainment. For business activities, 5G perfectly solves the network congestion problem sometimes encountered with 4G and Wi-Fi, and ensures that meetings go smoothly. 5G supports increasingly popular services such as 4K UHD/VR live streaming (Figure 4) and holographic interactions, and also allows meeting attendees to share social media content like text, images, and short videos in real time. [11].

In terms of hotel operations and management, 5G is used along with big data and AI to support the collaboration between devices at the front end, such as patrol robots and AR headsets, and data at the back end. This combination will guarantee intelligent safety and security protection both indoors and outdoors, and bring the standards of safety and security services to a higher level. Hotels can also use 5G-enabled VR/AR to showcase information about neighbouring spots as a way to attract tourists. Some hotels are trying to work with product brands on 5G-based VR/AR shopping. This will help them explore new scenario-specific shopping experiences and opportunities to create more business value. New technologies are driving new use cases and new experiences. To keep up with this trend, high-end hotels are starting to work with network operators for digital and intelligent upgrades, with the aim of taking the lead in 5G smart hotels. [11].

### **5G creates Value for the Hotel industry from multiple aspects**

Analyzing the practices and plans of five-star first-class hotels, we find that 5G can increase the profit of hotels in the hotel sector in four ways: firstly, 5G improves hotel service to attract more customers and increase the client base of direct sales. Secondly, 5G offers new scenarios of hotel services that differ from competitors, offer value-added services and provide higher profits. Thirdly, 5G simplifies hotel chains and uses smart methods to reduce operating costs and increase hotel safety. Last but not least, 5G hotels help play a more important role in the cultural and tourism sector and contribute to the progress of the sector by supporting inter-sectoral collaboration efforts such as collaborative marketing and procurement in this scenario.

5G creates value by combining new ICT technologies such as AI, clouds, big data and IoT, and crossing the boundaries of programs and enterprises. 5G can fully show the advantages of hotels in various scenarios for the integration of the physical and digital world. This will return the hotels to the center of culture and tourism, and the hotels will keep their customers away from home. [11] Finally, the 5G phenomenon marks a turning point in the development of mobile devices from a phenomenon dominated by personal technology to a platform that allows you to create new classes of modern applications, promote commercial innovations and grow [12–15]. By 2035, 5G could increase by 13.2 trillion. This is \$ 900 billion more than the publication of the same report in 2017, mainly due to the premature completion of the first

5G standard and the premature launch of the 5G commercial network by large operators.

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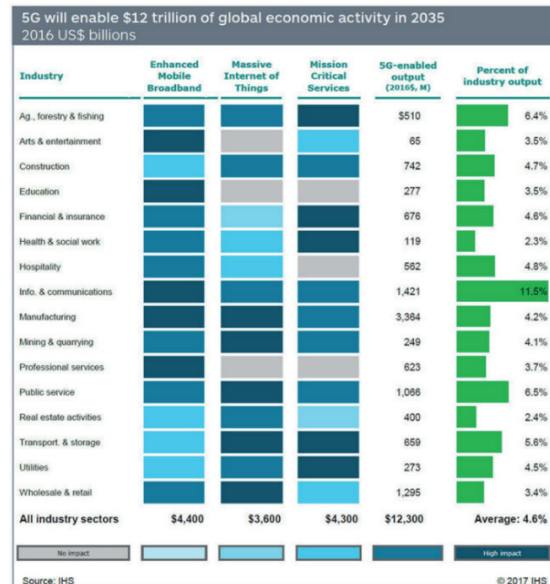
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**Figure 1. Porter's Five Forces**

Source: Harvard Business Review., "How Competitive Forces Shape Strategy" by Michael E. Porter



**Figure 2. The 5G economy: how 5G technology will contribute to the global economy. Source: HIS (2017)**



**Figure 3. Smart Hospitality**  
(source: <https://www.openpr.com/news/1927498/smart-hospitality-market-excellent-growth-26-57-cagr-scope>)



**Figure 4. Watching VR live streaming and movies [11]**



organization's human resources." Various researches revealed that in order for HR Professionals to become more efficient, effective and have a strong competitive advantage, they need to have swift access to have as much available and updated information as possible on all existing and potential employees. This can be achieved through technological evolution with the development of an HRIS system that can provide improvements, new techniques, and HR analytics with the e-speed of a mouse click.

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## Essay 2

### **The impact of creating an HR Digital Workplace: What does it mean for the HR Professionals?**

**Michael Nastasia**

#### **INTRODUCTION**

Over the last few decades in the business world, Human Resource Information System [HRIS] has drawn significant attention from many employers, trade unions, government, academic institutions, scholars and researchers (Dery, K., Grant, D., & Wiblen, S., 2009). Hedrickson, A.R. (2003) described HRIS "as integrated systems used to gather, store and analyse information regarding an organization's human resources". Tannenbaum, S.I. (1990) stated that HRIS "is used to acquire, store, manipulate, analyse, retrieve and distribute information about an

#### **The Structure of HRIS**

Figure 1 illustrates the areas and functionalities that can be adapted, applied and installed in an HRIS system. The HRIS has become flexible, quick and easier to use and has managed to replace many administrative and paperwork duties including as the creation of manual reports. HRIS can also be referred to as a "strategic building platform" with the capability to analyse the most significant resources for HR Professionals and the organisation.

Change is not only a necessity to organisations, however. Technological systems must be also flexible and adaptable to changes because of new market demands. HRIS must follow, develop and update its functionalities to satisfy current and potential demands and needs of every organisation. Findings have revealed that not following trends on market demands concerning technology and accessible information can have negative outcomes for an organisation.

The results of those negative outcomes are inefficiency, ineffectiveness and time consuming (Nagendra, A. & Deshpande M., 2014).

### **Advantages and Disadvantages of HRIS**

#### **Advantages of HRIS**

Several authors and scholars (Hendrickson, A.R., 2003, Beadles, et al, 2005, Kovach, 2002) have recognised and emphasized the benefits of HRIS in areas such as management and human resource development and for employees as well. These can be summarized as follows:

#### **A) The benefits of HRIS for the management of the organisation:**

- a. Efficient decision making in matters concerning for the organisations goals and objectives.
- b. HRIS provides the opportunity to control and monitor the organization's budget effectively and thus reduce costs.
- c. It provides transparency to the organisation.
- d. It provides clarity to the organization's mission and vision.
- e. It helps to monitor and review the contributions and work output of existing employees and ex-employees (monitor the labour turnover).

#### **B) Benefits of HRIS for the human resource development of the organisation:**

- a. It provides all the necessary information and automatized reports on all employees in a single database.
- b. It automizes employee information and reports can be adjusted immediately.
- c. It eliminates the need for paperwork, templates and other administration duties that are time consuming and prone to errors.
- d. The ability to improve HRIS software packages according to legislation (i.e. GDPR).
- e. It helps to monitor and control employees' absenteeism, punctuality and leave taking.

#### **C) The benefits of HRIS for the employees of the organisation:**

- a. Employees can review their personal information on holidays, absences, appraisals, training and development through a single software.
- b. The ability to access the software and request holidays, sick leaves through a fast track atomization.
- c. It automizes reminders, deadlines, events and project progression.
- d. It monitors and reviews in-house training and requests to participate in external training opportunities which can boost employee morale.
- e. It is accessible 24/7 even from mobile applications.

### **Disadvantages of HRIS**

Nevertheless, an organization can be faced with a variety of challenges when installing an HRIS system. For instance:

- Employees with low skill levels in technology would require additional training to familiarize them with HRIS systems.
- Change is not always welcomed easily since many employees prefer to stay in their comfort zone with what they are familiar.
- HR Professionals need to familiarize themselves with HRIS and all its functionalities quickly in order to maximize the benefits from using the software.
- Finally switching to HRIS can be difficult if it is incompatible with other systems already in use.

Shilpa and Gopal (2011), have addressed the disadvantages of HRIS as follows:

- Cost: Cost can be a major reason for avoiding HRIS systems. The cost of some functionalities can be prohibitive for some companies.
- To avoid losing control, management needs to monitor the system to ensure that it assists and supports the organization as required.
- HRIS has an enormous capacity and it is easy to get lost when managing the database.
- Loses human touch: through technological advancements, the HRD can neglect the human side or human touch.

- Privacy and Security: GDPR needs to be borne in mind when adopting an HRIS system. The HRIS needs to ensure that sensitive information is secure from competitors and external parties as well as secure and ensure confidentiality.

### **CONCLUSION**

All in all, an organization will gain a strong competitive advantage by installing an HRIS system as it will provide tremendous support and assistance to its HR professionals.

Figure 1 illustrates the HRIS system as a “strategic building platform” providing areas and functionalities that can be easily adapted, applied and installed in an organisation. The HRIS system with an e-speed of a mouse click can become flexible, quick and easier to produce reports and data making it essential for HR Professionals replacing administrative and paperwork duties done manually.

The adoption of HRIS by an organization can increase efficiency, effectiveness, security and accuracy. However, like all other technological advances, there are pitfalls and challenges such as costs, size of database and loss of human touch that need to be considered carefully.

Overall, an HRIS system can assist and support HR Professionals to achieve the organisation’s goals and objectives and take care of the welfare and working environment of its employees. An HRIS system can replace manual paperwork, administration, creation of reports and information when HR Professionals become overloaded with deadlines and numerous tasks. An HRIS system is highly recommended to any small,

medium or large organisation who wishes to improve its efficiency, effectiveness and productivity.

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**Figure 1. Human Resource Information System [HRIS]**



## Essay 3

### **Does Brexit Have a Positive Effect on Cyprus?**

**Antoniades George**

The Brexit process has brought up many uncertainties. This has British companies in industries like shipping, trying to find solutions and smoothen the impact of the "divorce" on their profitability.

According to information from Cyprus News Agency [1], the British operator P&O, initially reflagged two of its vessels to Cyprus, and then registered its entire English Channel fleet of six ships on the island. One of the main reasons that P&O decided on the Cyprus flag as the best option for reflagging its ships is because the country is a member of the "White List" of Paris and Tokyo

Memoranda of Understanding. The Paris Memorandum of Understanding or Paris MoU is an official document in which the 27 participating Maritime Authorities agree to implement a harmonized system of Port State Control [2]. The Tokyo Memorandum consists of 20 member Authorities in the Asia-Pacific region[3], participating for the same reasons as the Paris MoU, in the Asia-Pacific region. Being on the white list of these organizations means fewer delays for the owners due to fewer inspections. One other important benefit is the fact that Cyprus-flag ships can be taxed according to the tonnage of their vessels rather than their income. In addition to the economic benefits, ships under the Cyprus flag have a number of other benefits. For example, the Cyprus Shipping Chamber states that there is a network of inspectors of Cyprus ships covering important ports worldwide [4]. Other benefits include maritime offices in New York, London, Rotterdam, Piraeus, Brussels and Hamburg offering services to Cyprus ships [5]. It is probably for these reasons that the Cyprus registry is the 3rd largest merchant fleet in Europe and 10th in the world, accounting for over 1000 ocean going vessels according to the Cyprus Shipping Chamber[4].

Other companies related to the industry are also following similar strategies, like for example London P&I Club, a British ship insurance company which is setting up a subsidiary in Cyprus. The insurer wants to make certain that it will continue to have access to the European Union. It is also safe to assume that favorable tax rates contributed positively to this decision. The corporate income tax rate in Cyprus is 12.5%, which

according to [taxfoundation.org](http://taxfoundation.org) [6] is among the 20 lowest corporate tax rates in the world.

It is expected that Brexit will have consequences on our island to a lesser or greater degree. However, as far as the shipping industry is concerned, the investments made by the above two companies seem to suggest that Brexit will favour our island, at least in some areas. The country's tonnage taxation system together with the fact that ships under the Cyprus flag have fewer inspections, therefore fewer delays due to their position in the white lists of the two memoranda of understanding, has already attracted a number of additions to our fleet. Let's hope others will follow.

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**Essay 4**

**Non-Gaming Revenue in Casino's  
Business Model**

**Malkawi Elena**

City of Dreams Mediterranean is the first integrated casino resort in Cyprus, the only one of its kind in Europe, which is expected to open its doors in 2021. It may be interesting to take a closer look at the casino (or casino resort) business model, as there has been a significant change in the way casinos are making their profits today. About 10 years ago casino businesses began to shift away from a model based on flows of cash generated on gaming floors towards the all-inclusive family entertainment and convention business model. On the Las Vegas Strip, non-gaming revenue streams have grown to encompass roughly 66% of all casino revenue according to Center for Gaming Research (2019) in the University of Nevada, Las Vegas.

The main reason for decreasing revenues from gaming is that casino customers are ageing, and younger generations have very little interest in gambling. They may visit casinos but do not spend their money on the casino floor, describes The Yale Tribune (2018). The completely new patterns of behavior of younger consumers (millennials) who have grown up playing video and mobile-phone games have prompted casino companies to come up with new "casino

within a casino" business models. In order to work out how to keep the business relevant to future generations, some casino companies have organized teams of millennial employees to come up with fresh ideas to rejuvenate their businesses, while others have opened experimental spaces where young people can test out new types of slot-machine games that challenge players' skills as much as their wallets.

In order to compensate for decreasing of revenues from gaming, casinos are expanding operations beyond the gaming floors. The Economist (2016) mentioned that a significant part of revenue in casino business now comes from hotels offering all-inclusive family services to their customers. Additional sources of revenue for casino companies today are conventions, business conferences, exhibitions and award-giving ceremonies. It is quite common for casinos to open up their banqueting rooms for these events up to three times a day.

"The model of the casino business has definitely changed," said Anthony Carano, chief operating officer at Eldorado Resorts, which has 20 properties across the US (Raedel, 2018) "We're now in the entertainment business more than the gaming business."

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## **Essay 5**

### **The Value of Social Media for Business.**

**Antoniades George**

Organizations around the globe are constantly getting involved in social media. It is becoming part of everyday life and quite frankly almost everyone in the business world is using them. According to statistics, in 2019 there will be 2.77 billion social media users around the globe and the number is expected to increase to 2.9 billion for the following year (Statista, 2018). This comes to show the popularity of the social media trend and what this means when we come to examine their benefits for businesses.

Social media give an organization the possibility to create content marketing and this is providing an enormous opportunity for business growth. When used correctly, content marketing gets customers involved in the promotional attempt. Content marketing is all about the customer and this technique brings a lot of benefits to the organization. These benefits include having more shares, getting more exposures, being more memorable and adding more subscribers. An excellent example of content marketing is Coca Cola's "share a coke" campaign. Coca Cola allowed consumers to have their name printed on a coke bottle. Soon these consumers started posting pictures on social media with their personalized bottles and the campaign went viral.

Another benefit of social media for businesses is the increase in their customer service value. Better customer service translates into happier and returning customers. Research in Harvard Business Review shows that customers who received a response to their tweet were willing to spend more on their next purchase. (Huang, Mitchell, Dibner, Ruttenberg, Tripp, 2019). The same study reveals that when the organization responds to negative comments, customers become more loyal.

The increase of brand awareness is yet another benefit that derives from social media. Since billions are using social platforms, it is a very effective way for an organization to get its brands known. To demonstrate the impact of social media on brand awareness lets refer to a Facebook reveal which states that 60% of Instagram

users learn about new brands on the platform (Facebook, 2019).

Social media provides an excellent opportunity to increase website visits. Having people visiting your website is essential because an organization's website is its profile. It is the place where customers and other people will seek information about products, services, company values and any other information they might be looking for. In order to increase website traffic, those responsible for marketing should create interesting posts, which people would want to share. In addition, a marketer should have a clear schedule on how often to post something new. According to some statistics, in twitter a business should post 3 times per day or more, Facebook 2 times at most and LinkedIn once a day or more (Lee, 2019).

Social media platforms have statistical reports available for business so they can check on aspects like how many follows and likes they have, or how many shares. The organizations can see the percentage of sales growth, and calculate useful financial reports like their returns on investment.

Major social networks like Google and Facebook offer tools that give detailed analytics about the progress of your campaign, or give you a general idea where your page stands.

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