

Coaching Millennial Entrepreneurs in Tourism Industry: A glimpse of Political Skill

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Abstract — The main objective of this study is to determine whether coaching support plays a significant role towards millennial entrepreneurs' political skill. It has been argued that political skill is a learned behavior that can be developed through various ways such as coaching, mentoring and role modelling which involves experience development. In achieving high political skill, there is a need to work with skillful coaches in order to provide successful mentorship. Since political skill is treated as multidimensional which are networking ability, interpersonal influence, social astuteness and apparent sincerity, four hypotheses were postulated in this study. This study applies Partial Least Squared method in analyzing the data that were distributed to 200 respondents through questionnaires. The findings of this study are that coaching support has positive relationships with networking ability, social astuteness and apparent sincerity. Only, interpersonal influence has a negative influence by coaching support.

Keywords - Coaching support, Political skill, Networking ability, Apparent sincerity, Social astuteness.

I. Introduction

The tourism industry has significantly contributed towards the income for the country in terms of fostering regional development, creating new employment, and diversifying the national economy which includes improving the nation's income level (Hallak, Brown, & Lindsay, 2012). It is reported that the total employment of the tourism industries has increased from 1.5 million in 2005 to 2.9 million in 2015 while the number of tourists arriving has also increased from 16.4 million in 2005 to 27.4 million in the year 2014 (Department of Statistics, 2016). Unfortunately, in the year 2015, the number of arrivals has decreased to 25.7 million and this decrease is assumed to be by recent unprecedented events such as eastern Sabah security issues, aviation industry incidents, earthquakes, and floods (Tourism Malaysia, 2017). Continuous efforts were put in to stimulate the industry and the efforts have positively impact TSME's business activities by the Malaysian Government as they have accounted up to 85 percent of the tourism businesses (Nair & Hussain, 2013). Furthermore, according to MOTAC (2017), it is expected that Malaysia will earn RM3 billion a week from tourism by 2020 and a total receipt of revenue of approximately RM168 billion. As for the Tourism Satellite Accounts (TSA) which was initiated by the United Nations World Tourism Organisation (UNWTO) and Organisation of Economic Co-operation and Development (OECD) which is adopted by Malaysian Government (Tourism Satellite Account, 2001), the characteristics of tourism-specific products from the suppliers' perspectives are known as accommodation services, food and beverage serving service, passenger transport services, travel agency, tour operator, and tourism guide services, cultural services, recreation and other entertainment services and miscellaneous tourism services (i.e., zoo, museum and theme parks).

Tourism industry is part of the service sector in Malaysia and its nature focuses on human resource which deals with people directly. According to Mashahadi et al., (2017) the basis for human capital to improve entrepreneurs' responsiveness towards changes in business environment is knowledge. According to Wing, Yee, & Yee (2007) it is important for a country to develop competent and skillful human resources in order to ensure that customer-oriented industries such as tourism is at par with the global standard based on The Travel and Tourism Competitiveness Index Report 2017. Since the majority of TSMEs in Malaysia are the key players in such industry, there is a need for tourism entrepreneurs to possess added value skills and abilities to recognise opportunities which are made available for them (Set, 2013b). However, in discovering and exploiting such opportunities, one needs to have the ability known as political skill. According to Gentry et al. (2013), the

possessions of political skill enable organisations to thrive in achieving the goals.

It was also mentioned that millennial entrepreneurs with high social competency shall receive better business performance compared to those who were less competent (Sadik, 2018). Additionally, being able to create good social skills and networking, allows entrepreneurs to establish a lasting and loyal customer-supplier relationships (Tocher & Oswald, 2012). Further, it has been reported that approximately 11 million people in Malaysia as at 2010 are millennials which accounted to 40 percent from the Malaysia's population (Department of Statistics Malaysia, 2011). Interestingly, the attributes of millennials at present are prone to taking risks, views entrepreneurship as an attractive life path by being the first digital generation and tend to think and act "out of the box" in their business strategies (Sox et al, 2014). Thus this paper shall conceptualize the significance of coaching support social towards political skill by the millennials entrepreneurs in ensuring a highly dynamic and competitive tourism SME.

II. Literature Review

Coaching Support from the Government

Coaching looks into the concept of developing a particular competence and short-term intervention meant to improve performance (Deans et al., 2006). Coaching is a part of personal support that is crucial for entrepreneurs to stimulate their businesses and is considered as a key factor in the growth of the economic (Diedrich, 1996). Lambalgen et al., (2012) mentioned that, coaching is the most valuable elements in the personal support and critical for the educational settings of entrepreneurship and entrepreneurial coaching assist novice owner-managers in overcoming individual and organizational performance. Moreover, Chinsky (2007) stated that the concept of coaching has been widely used especially within the services sector looking into the aspects of leadership development. Various coaching support conducted by the government such as We Are The Host (WATH), Eco-Host Malaysia, Tourist Boats, Tourist Guide and so on (MOTAC, 2017). For example, the WATH courses was established under the Malaysia Welcomes the World (MWW) programme focusing on improving the front liner to be more knowledgeable, hospitable with improved customer service skills and communications. According to Gan & Chong (2015), it would be interesting to study on the characteristics of coaching relationships which are rapport trust, commitment and match that is applicable in the Malaysian context. In the context of tourism SMEs (TSMES), since they are managers/owners of the firm, it seems that their level of attachments is high and willing to invest into the coaching process (Baron & Morin, 2009). Any programs that have been conducted by MOTAC should be attended by coachee until the end of the program and is awarded with a certificate of attendance (MOTAC, 2017) which is an indicator of commitment towards the program.

Political Skill among entrepreneurs

It has been viewed that organizations are the political arenas and are characterized by negotiation, deal making, mutual exchange and alliance building in getting things done (Vigoda-Gadot & Drory, 2006). Due to the political nature of organizations, individuals' ability to effectively navigate the political arena in order to become successful provided the individual possesses the right tools to do so. As a matter of fact, in order to become successful in the political environment, individuals need to possess political skill (Blickle et al., 2010; Mintzberg, 1983; Pfeffer, 1981). Among the first few scholars that highlighted the needs of political skill to become successful was Pfeffer (1981) and he mentioned that further construct of such skill is needed. Additionally, Mintzberg (1983) proposed that political skill known as the usage of influence by persuasion, manipulation and negotiation. Politically skilled individuals are able to express a sense of personal security and calm self-confidence that attract others which provides them a feeling of comfort. Despite of the being confidence, those with political skill is not self-absorbed as their focuses are outward towards others rather than to themselves (Ferris et al., 2005). Those with political skill have construct of interpersonal style that combines social astuteness with the ability to relate well with others and establishing situationally appropriate behaviour in a charmingly and attractive manner which stimulates confidence, trust genuineness and sincerity (Ferris et al., 2000). Thus, political skill is a combination of various compatible skills and abilities that eventually create synergistic social dynamic (Ferris et al., 2002). Ferris et al., (2000) emphasizes that even though political skill is said to be inherited, there are some arguments that to some extent this skill can be nurtured or shaped through training and socialization. A person might be born with tendency of having political skill however there is a need to properly stimulate such skills to ensure that it will be well utilized. The benefits of political skill

encompass various aspects including task performance, career success, effectiveness, satisfaction and also business negotiation (Solga et al., 2012) especially those within the organization. In political skill, there are basically four important dimensions that act as a tool in influencing others through entrepreneurs' capabilities such as social astuteness, interpersonal influence, networking ability and apparent sincerity. As for social astuteness, it is defined as individual who are ingenious and clever when dealing with others (Ferris et al., 2005). In the context of entrepreneurship, it is necessary for entrepreneurs to obtain information and resources from their counterparts by being socially astute with their surroundings (Zhan & Kim, 2015). Meanwhile, interpersonal influence was claimed that individuals with a high level of political skill should possess high persuasive power and influence (Zhan & Kim, 2015) since they have a convincing and elusive personal style that utilizes power influence around them (Ferris et al., 2007). As for networking ability it is known as Individual possessing political skilled are dexterous in initiating and identifying contacts and networks with other people (Munyon et al., 2015). Lastly, apparent sincerity is define as the ability to appear to others with high integrity levels and being genuine, sincere and authentic explains the characteristic of apparent sincerity (Ferris et al., 2007).

III. Theoretical Background

The application of RBV as the underpinning theory due to its nature that recognizes the significant needs to acquire a pool of productive resources in order for firms to become competitive (Penrose, 1959) as cited in Theresa et al., (2013). The resources mentioned in RBV are expected to benefit the organizations involve. The study of political skill provides the competency needed for an organization to become highly competitive (Ferris et al., 2007). Furthermore, possessing high political skill holds the four attributes of uniqueness in resources which are valuable, rare, imperfectly imitable and lastly not easily substituted. Additionally, according to Hall (1992) the resource in RBV is categorized into three construct which are tangible resources, intangible resources and intangible skills. When referring to this study, political skill definitely falls into the intangible skills category. According to Grant (1996), a large amount of scholars argued that for firm to become successful, skills and capabilities are needed both from the employee and employer.

IV. Research Model and Hypotheses

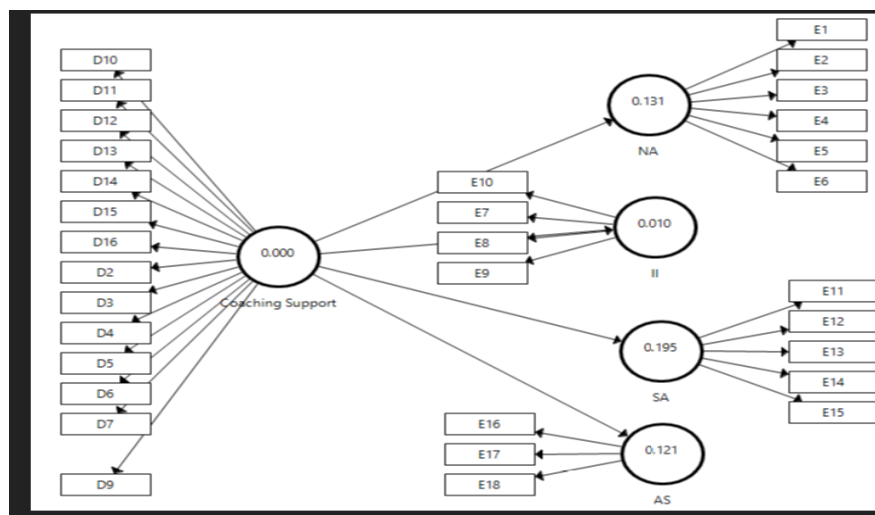


Figure 1. Theoretical Framework

Coaching Support and Networking ability

Coaching is considered as the most valuable elements of personal support and crucial for the educational settings of entrepreneurship. Additionally, entrepreneurial coaching assist novice owner-managers to overcome challenges they face that might affect organizational performance (Lambalgen et al., 2012). Prior to the above statement, Ministry of Tourism and Culture (MOTAC) provide many programs to assist tourism players

preparing them with the necessary competencies. As a matter of fact, previous study has mentioned the importance of training, mentoring and coaching in order to develop the political skill which adds value within the entrepreneurial process (Ferris et al., 2005, 2007). Indeed, the ministry has prepared many programmes such as We are the Host, Eco-Host and various others as the content emphasises on becoming a “champion communicator” to build instant rapport with their stakeholders and clients (MOTAC, 2017). Based on the above literature, it has been postulated as below:-

H1 Coaching support has a positive effect on networking ability dimension of political skill

Coaching Support and Interpersonal Influence

Interpersonal influence involves with the capability to appropriately adapt and calibrate behaviour in each situation to gain the required responses from other (Ferris et al., 2015). Being flexible allows politically skilled individual to adjust with different targets of influence in achieving their goals (Phipps & Prieto, 2015). As a matter of fact possessing interpersonal influence will definitely become beneficial for the entrepreneurs since entrepreneurial environments are often characterized as dealing with high uncertain conditions (Fang et al., 2015). The ongoing government programs since 2007 such as “Malaysia Welcomes the World”, emphasises on the concept of Think Tourism and Act Tourism which provides various soft skills for tourism operator in dealing and persuading the tourism stakeholders (MOTAC, 2017). Based on the above literature, it has been postulated that:-

H2 Government coaching support has a positive effect on interpersonal influence dimension of political skill.

Coaching Support and Social Astuteness

When referring to social astuteness, politically skilled individuals are high in self-awareness, have strong power of judgment and are able to attune well with diverse social setting (Phipps & Prieto, 2015). This attribute is part of political skill dimension will aid entrepreneurs in establishing ventures and convincing potential stakeholders to support them. Additionally, according to Lux (2005), social astuteness increases the likelihood of increasing the ability to sell products and services, negotiate effectively and seeking potential opportunities for the SMEs. Interestingly, social astuteness can be developed through socialization and especially coaching (Ferris et al., 2005; Ferris et al., 2007; Phipps & Prieto, 2015). Parallel with government coaching support, most of their programs emphasises on building soft skills and providing a first class customer service. Additionally, part of their modules, analyses customer complaints, feedbacks and eventually thorough coaching on roles and responsibilities for the tourism players was highlighted (MOTAC, 2017). Therefore based on the above literature, it has been derived that:-

H3 Government coaching support has a positive effect on social astuteness dimension of political skill.

Coaching Support and Apparent Sincerity

In order to induce the individuals’ level of political skill, McAlliester et al., (2015) has revealed that coaching is one of the most effective method to be applied. Through demonstration and explanation made by the experts appointed by the ministry, a particular skill such as political skill is properly exercised (Ferris et al., 2007). Meanwhile the concept of apparent sincerity reflects an individual who appears to be sincere, authentic and genuine (Ferris et al., 2005). Those who are high in this dimension will inspire more trust and confidence from the other parties with no intention of becoming manipulative or coercive (Phipps & Prieto, 2015). In terms of Malaysian tourism, various modules have been set in preparing the tourism operators on “becoming a good host” (MOTAC, 2017). In building rapport relationship with tourists, authenticity plays a significant role in creating satisfaction and quality within the interaction (Victorino et al., 2005). Referring to the above statement, it has been postulated that:-

H4 Government coaching support has a positive effect on apparent sincerity dimension of political skill

V. Methodology

Sample and data collection

The samples of this study are those millennials entrepreneurs who fall within the millennials or Generation Y which are born in the year 1978-1994 (Kotler & Armstrong, 2010). A total of 200 respondents were asked to answer the questionnaire and two filter questions pertaining to whether they have gone through coaching

activities by government and their age. Purposive sampling was conducted for this study to ensure that the respondents have fulfilled the criteria for this study. The potential respondents were identified and were given seven days to answer the questionnaire. Only 80 (40%) respondents returned with only 76 (38%) are usable.

Respondents' Profile

In terms of the demographic of the data are tabulated in Table 1. Male and female are both equal (50%) and majority of them aged between 25 to 35 years old (77.6%). Most of the race of these respondents is Malay (85.5%) and consist of the managers (51.3%), owners (26.3%) and person in charge (22.4%). As for the business types, most of the respondents are from accommodation (32.9%) followed by food and beverages (25%) within this tourism industry and most of them have operated less than 5 years which reflects the focus of this study which are the millennials.

Measures

Data was collected using a structured questionnaire. The questionnaire contained 18 items that were related to Political Skill with four dimensions namely, networking ability, interpersonal influence, social astuteness and apparent sincerity which were adopted from measurement developed by Ferris et al. (2007) which is a 7 point Likert-scale. Next, in measuring the coaching support as the antecedents for political skill, there were 16 items measured for the 4 dimensions which are rapport, trust, commitment and match which adopted from Gan & Chong (2015). All of the dimensions are reliable which 0.77 is for match, commitment with 0.904, trust with 0.92 and lastly rapport 0.92. In addition the measurement is 5 point Likert-scale from 1= strongly disagree to 5=strongly agree.

VI. Results

In order to analyze the research model, this study employed the Partial Least Square (PLS) analysis technique using SMARTPLS 3.0 software (Ringle et al., 2015). This study looks into two staged analysis which are measurement model (validity and reliability) followed by structural model (testing hypothesis relationships). Additionally, in order to test the significance of the path coefficients and the loadings, bootstrapping method was used (Hair et al., 2014)

Measurement Model Evaluation

In order to assess the measurement model, the two type validity were examined which are convergent validity and discriminant validity. The convergent validity, the measurement is ascertained by examining the loadings, average variance extracted (AVE) and lastly is the composite reliability (Gholami et al., 2103). The loadings were all higher than 0.5, the composite reliabilities were all higher than 0.7 and the AVE values are higher than 0.5 as suggested by Hair et al.,(2015). From the total 34 items, 2 items were deleted which are CS1 and CS8. As for discriminant validity, the measures was examine by following the Fornell and Larcker (1981) criterion of comparing the correlations between constructs and the square root of the AVE for the construct. The square roots of the AVEs are represented by the bolded values on the diagonals were greater than the corresponding row and column values which indicates it is discriminant.

Structural Model Evaluation

To assess the structural model the study looks into the R2, beta and the corresponding t-values (Hair et al., 2014). To obtain the t-values, a bootstrapping with 5000 resamples was applied. In addition, predictive relevance (Q2) and effect sizes (f2) were also assessed. The study has identified that there are a positive relationship between Coaching Support and Networking Ability ($\beta = 0.462$, $\rho < 0.01$), Social Astuteness ($\beta = 0.499$, $\rho < 0.01$) and Apparent Sincerity ($\beta = 0.579$, $\rho < 0.01$). All these three hypotheses were explained by 21.3%, 24.9% and 19.5% of R2 consecutively. All of the R2 has shown a medium impact towards the endogenous construct as it is within the range of 0.15 (Cohen, 1988). Thus H1, H3 and H4 were all supported. However, there is a negative relationship between coaching support and interpersonal influence ($\beta = 0.462$, $\rho > 0.01$) and the R2 is 4.5% which is considered as small effects towards endogenous variable. As for the predictive relevance of the model by using the blindfolding procedure which is known as a sample reuse technique that omits very dth data pointing the endogenous constructs' indicators (Tenenhaus et al., 2005). Since the Q2 are more than 0, 0.010 to 0.195 suggest that the model has sufficient predictive relevance (Hair et al., 2014).

Table 1.0 Results of the Structural Model Analysis (Hypotheses Testing)

Hypothesis	Relationship	Std Beta	Std Error	t-value	Decision	R ²	Q ²
H1	Coaching Support-NA	0.462	0.086	5.627	Supported	0.213	0.121
H2	Coaching Support-II	0.212	0.153	1.385	Not Supported	0.045	0.010
H3	Coaching Support-SA	0.499	0.089	7.124	Supported	0.249	0.131
H3	Coaching Support-AS	0.579	0.081	5.376	Supported	0.335	0.195

VII. Conclusion

Based on the analysis it has been derived that coaching support has a positive relationship with networking ability, social astuteness and apparent sincerity. Various literatures have mentioned that political skill is believed to be substantially developed through training, coaching and socialization (Ferris et al., 2005, 2007). By studying the role of political skill through coaching and mentoring, it adds value to the entrepreneurial process within the social network (Fang et al., 2015). The nature of tourism industry is in such a way that they rely heavily on acquiring first class customer service skills among the industry players especially the front liners (MOTAC, 2017). As a matter of fact, it might be possible to assume that since entrepreneurs are often involved forced to know the ins and outs of the businesses especially at the early stage of development, it requires them to be sensitive and flexible in adapting to any changes of their surroundings. Realising the flat hierarchy structure of SMEs, it is definitely crucial for entrepreneurs to possess high social astuteness to keep track with their environments as they are mainly responsible for the performance of the organization (Raviv, 2000). Thus the outcome is considered as consistent with the recent literature. Lastly, the possible explanation of a positive outcome of coaching support and apparent sincerity is maybe due to the fact that Ministry of Tourism Malaysia (MOTAC) conducts various coaching activities including Malaysia Welcome the World (MWW) underlines the need to possess a first class customer service skill and to understand the communication process by reducing the communication barrier. The ability to appear sincere to their customers is greatly needed since acquiring high political skill were claimed to guarantee social network (Pfeffer, 1981; Mintzberg, 1983; Ferris et al., 2007).

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