Impact of Knowledge and Skills on Competency Certification under ASEAN MRA-TP Standards and Its Effect on Employee Performance in Starred vs. Non-Starred Hotels

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Abstract
The objective of this study is to study the influence of the competence certification variable in mediating knowledge and skills on performance. The respondees are hotel management who have implemented the ASEAN MRA-TP standardization. There were 90 questionnaires that were collected. On the basis of PLS-SEM analysis, it is concluded that knowledge and skills have a direct significant positive influence on performance; knowledge and skills have a direct significant positive influence on certification; competency certification has a significant and positive ability to mediate knowledge on performance; and competency certification has a significant and positive ability to mediate knowledge on the performance of hospitality employees, both starred and non-starred hotels who have conducted ASEAN MRA-TP standardized competency certification in Lampung Province.

Keywords: Knowledge; Skill; Performance; Competency Certification; Hospitality; ASEAN MRA

Introduction

The Mutual Recognition Arrangement on Tourism Professionals (MRA-TP), established by the Association of Southeast Asian Nations (ASEAN), is a significant initiative designed to foster regional integration and enhance the tourism sector. Implemented alongside the ASEAN Economic Community, this agreement facilitates labor mobility among ASEAN member countries and supports the liberalization of services across eight major sectors, including hospitality (Jaya et al., 2021). The MRA-TP aims to assist ASEAN countries in developing a skilled workforce to improve service quality in tourism while addressing social issues such as inequality and a limited professional labor force (Jaya et al., 2021).

The importance of competence-based models in the context of rapid digitalization, automation, and robotization has been highlighted by previous research. Fusté-Forné & Ivanov, (2021) emphasizes the necessity for continuous skill adaptation in both organizational and individual contexts. Despite the critical role of competencies in aligning education with labor market needs and enhancing organizational effectiveness, challenges persist in defining, measuring, and generalizing competencies across various industries and worker groups (Venesaar et al., 2022). Future research should focus on longitudinal studies to better understand competency dynamics, develop alternative assessment models, and foster collaboration among employers, researchers, and policymakers to address competency mismatches and improve educational systems (Prikshat et al., 2020) .

Similarly, Lepkowska-White et al., (2019) discusses the transition to a greener economy and technological advancements, stressing the need for a holistic approach to managing this shift. This includes retraining and skills upgrading for vulnerable workers. The study reveals that existing skills development systems often fail to address inequalities, particularly for marginalized groups(Barusman, 2018). It advocates for social dialogue, inclusive skills training, and recognition of prior learning to enhance (Cabral & Dhar, 2019) Future recommendations suggest developing a new skills policy that

integrates demand and supply perspectives, addresses the needs of low-to-middle skilled workers, and fosters stakeholder collaboration to promote inclusive growth (Karimi & Pina, 2021).

(Ergün & Şeşen, 2021). explores the development of a generic competency framework aimed at improving human resource practices such as recruitment and performance evaluation. The study identifies gaps in existing competency frameworks, such as the lack of comprehensive evaluation parameters like levels and weightages. The proposed framework incorporates job identification, core functions, tasks, and assigns weightages to competencies across five levels using a structured, scientifically-based approach(Wijayanti & Habiburahman, 2024). Further validation of the framework across diverse jobs and industries is recommended to ensure its broad applicability and effectiveness (Jain & Shauran, 2019).

Despite proactive efforts by governments, including Indonesia's Kemenparekraf (Ministry of Tourism and Creative Economy), to accelerate the implementation of the ASEAN MRA-TP and strengthen competency standards for tourism professionals, challenges remain. The "Workshop Perencanaan Implementasi MRA-TP ASEAN di Lingkungan Politeknik Pariwisata" held at the Bali Tourism Polytechnic underscored Kemenparekraf's commitment to sustainable MRA-TP implementation (Metro, Suara.com, 2022). However, the success of the MRA-TP's standardized certification policy depends on systematic efforts to improve the knowledge and attitudes of leaders and employees. A thorough understanding of the MRA-TP is essential for fostering a positive attitude toward its implementation (Patankar, 2019).

The implementation of the MRA-TP standardized certification policy is closely linked to the quality of management within companies and hotels. Higher-class hotels are expected to exhibit superior managerial quality due to higher service demands, but all hotels, regardless of class, must deliver excellent customer service (del Mar Alonso-Almeida & Rodríguez-Antón, 2011). Challenges such as employees' foreign language skills, living standards, and education levels may impact the effective implementation of the MRA-TP (Huang, 2017)

Given the government's commitment to accelerating the MRA-TP implementation, it is crucial to study the responses of tourism sector entrepreneurs, particularly in hotel management(Barusman et al., 2021). Positive attention from top-level hospitality management is expected to influence middle and lower levels, thereby enhancing overall professional competence.

Organizational culture and knowledge play critical roles in implementing the ASEAN MRA-TP. Organizational culture affects behavior, communication, and conduct within companies (Dirisu et al., 2018). Knowledge, as a strategic resource, is vital for improving individual and organizational performance (Patil & Kant, 2012). Employees' willingness to perform duties and share knowledge contributes to a competitive advantage in knowledge-based organizations (Martín-de Castro, 2015).

The novelty of this study lies in examining how certification mediates the relationship between skills and knowledge on performance, specifically focusing on hotels that have implemented the ASEAN MRA-TP standards. The research aims to investigate the influence of knowledge and skills on competency certification under the ASEAN MRA-TP standards and its impact on employee performance in both starred and non-starred hotels (Mahsun & Rizal, 2021).

The objectives of this study are to assess the influence of employee knowledge on performance in the tourism sector, evaluate the impact of employee skills on their performance in the sector, investigate the relationship between knowledge and competency certification under the ASEAN MRA-TP standards, explore the influence of

employee skills on competency certification, and determine the impact of competency certification on employee performance in starred and non-starred hotels (Kasa et al., 2020).

Methodology

This study investigates the impact of ASEAN MRA-TP (Mutual Recognition Arrangement on Tourism Professionals) standards on hospitality management in Lampung Province, Indonesia, focusing on knowledge, skills, certification, and performance (Pulhin, 2021). A quantitative approach was employed, utilizing Structural Equation Modeling (SEM) to analyze the relationships between these variables.

Data were collected through online questionnaires distributed via Google Forms, targeting hospitality management professionals who adhere to ASEAN MRA-TP standards in Lampung Province. A total of 90 completed questionnaires were collected, fulfilling the minimum sample size requirement for SEM analysis as specified by (Hutagalung & Indrajat, 2022).The questionnaire was designed to capture detailed information about respondents' knowledge, skills, certification status, and performance, using a five-point Likert scale ranging from "Strongly Disagree" (1) to "Strongly Agree" (5), following (Ducyao, 2023) recommendations.

The study's analysis was structured into three main parts. Firstly, it examined the influence of knowledge and skills on performance through certification, assessing how these factors impact performance indirectly. Secondly, it explored the direct effects of knowledge and skills on performance, evaluating their immediate impact. Thirdly, the study investigated the direct relationship between knowledge and skills and the attainment of certification. SEM was utilized to assess these complex relationships, providing a robust framework for understanding the interplay between the variables.
By employing SEM, the study ensures a rigorous evaluation of the theoretical model, offering valuable insights into how ASEAN MRA-TP standards can enhance hospitality management performance in Lampung.

Results and Discussion

This research uses SmartPLS 3.0 to test the hypothesis. The relationship between variables tested in this study is the relationship between the exogenous variables of knowledge and skills to the endogenous variable, namely performance through the intervening variable of certification. The significance test to determine the effect between variables can be seen from the statistical test results as presented in Figure 1.

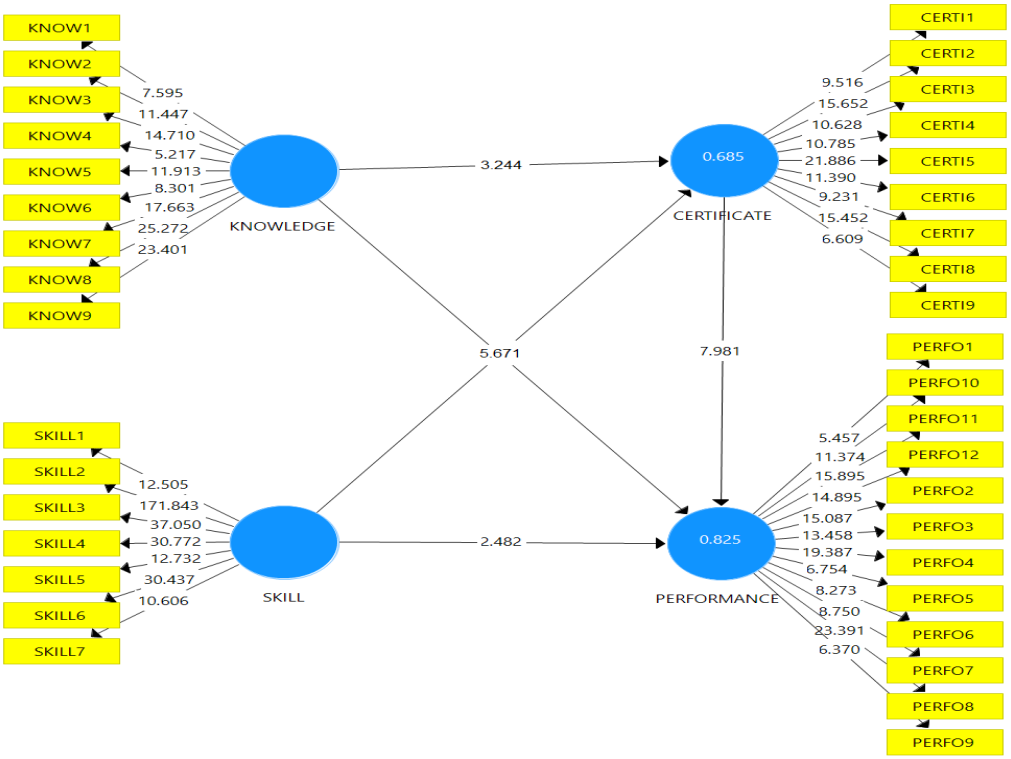

Figure 1. Outer Loading

The minimum criteria that must be met for the hypothesis to be accepted are 1) beta has a positive value, and 2) t-statistic must be above 1.66216 for standard error (alpha 5%). Referring to the output of Figure 1, the relationship between each variable is presented in Table 1, which displays the results of hypothesis testing (path coefficients).

Table 1. Direct Influence (Path Coefficients)

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Knowledge -> Performance	0.522	0.534	0.082	5.671	0.000
Skill -> Performance	0.244	0.226	0.098	2.482	0.013
Knowledge -> Certificate	0.293	0.281	0.090	3.244	0.002
Skill -> Certificate	0.742	0.731	0.079	9.425	0.000
Certificate -> Performance	0.681	0.696	0.085	7.981	0.000

Source: The result of researched data processing ,2023

a. Influence of Knowledge on Performance

As shown in Table 1 and Figure 1, the parameter coefficient for the knowledge variable on performance is 0.522, which indicates that there is a positive influence of knowledge on performance. Alternatively, it can be interpreted that the higher the value of knowledge, the more performance will increase. A one-unit increase in knowledge will

increase performance by 52.2%. By using bootstrap or resampling calculations, the test result of the estimated coefficient of knowledge on bootstrap performance is 0.534 with a t hitung = 5.671> t table = 1.66216 with a standard deviation of 0.082. Thus, the p value is 0.000 <0.05 and H1 is accepted which indicates that the direct effect of knowledge on performance is positive and statistically significant.

b. Influence of Skills on Performance

As shown in Table 1 and Figure 1, the parameter coefficient for the skill variable on performance is 0.244, which indicates that there is a positive influence of knowledge on performance. Alternatively, it can be interpreted that the higher the value of skills, the more performance will increase. A one-unit increase in skills will increase performance by 24.4%. By using bootstrap or resampling calculations, the test result of the estimated coefficient of skills on bootstrap performance is 0.226 with a t hitung = 2.482> t table = 1.66216 with a standard deviation of 0.098. Thus the p value is 0.013 <0.05 and H1 is accepted which indicates that the direct effect of skills on performance is positive and statistically significant.

c. Influence of Knowledge on Certification

As shown in Table 1 and Figure 1, the parameter coefficient for the knowledge variable on certification is 0.293, which indicates that there is a positive influence of knowledge on certification. Alternatively, it can be interpreted that the higher the value of knowledge, the more certification will increase. A one-unit increase in knowledge will increase certification by 29.3%. By using bootstrap or resampling calculations, the result of the knowledge estimation coefficient test on the bootstrap certification result is 0.281 with a calculated t hitung = 3.244> t table = 1.66216 with a standard deviation of 0.090. Thus, the p value is 0.002 <0.05 and H1 is accepted which indicates that the direct effect of knowledge on certification is positive and statistically significant.

d. Influence of Skills on Certification

As shown in Table 1 and Figure 1, the parameter coefficient for the skill variable on certification is 0.742, which indicates that there is a positive influence of skills on certification. Alternatively, it can be interpreted that the higher the value of skills, the more certification will increase. A one-unit increase in skills will increase certification by 74.2%. By using bootstrap or resampling, the result of the skill estimation coefficient test on the bootstrap certification result is 0.731 with a t hitung = 9.425> t table = 1.66216 with a standard deviation of 0.079. Thus, the p value is 0.000 <0.05 and H1 is accepted which indicates that the direct effect of skills on certification is positive and statistically significant.

e. Influence of Certification on Performance

As shown in Table 1 and Figure 1, the parameter coefficient for the certification variable on performance is 0.681, which indicates that there is a positive influence of certification on performance. Alternatively, it can be interpreted that the higher the value of certification, the more performance will increase. A one-unit increase in certification will increase performance by 68.1%. By using bootstrap or resampling, the test result of the estimated coefficient of certification on the performance of bootstrap results is 0.696 with a t hitung = 7.981> t table = 1.66216 with a standard deviation of 0.085. Then the p value is 0.000 <0.05 and H1 is accepted which indicates that the direct effect of certification on performance is positive and statistically significant.

Table 2. Indirect Influence

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Knowledge -> Certificate -> Performance	0.487	0.491	0.081	5.142	0.000
Skill -> Certificate -> Performance	0.505	0.507	0.077	6.558	0.000

Source: The result of researched data processing, 2023

a. Influence of Knowledge on Performance through Certification

As shown in Table 2, the parameter coefficient for the knowledge variable on performance mediated by certification is 0.487, which indicates that there is a positive effect of knowledge on performance through certification. Alternatively, it can be interpreted that the higher the value of knowledge, the more performance will increase. A one-unit increase in knowledge through certification will increase performance by 48.7%. By using bootstrap or resampling, the result of the test coefficient estimate of knowledge on performance through certification bootstrap results is 0.491 with a t hitung = 5.142> t table = 1.66216 with a standard deviation of 0.081. Thus, the p value is 0.000 <0.05 and H1 is accepted which indicates that the indirect effect of knowledge on performance through certification is positive and statistically significant.

b. Influence of Skills on Performance through Certification

As shown in Table 2, the parameter coefficient for the skill variable on performance mediated by certification is 0.505, which indicates that there is a positive effect of skills on performance through certification. Alternatively, it can be interpreted that the higher the value of skills, the more performance will increase. A one-unit increase in skills through certification will increase performance by 50.5%. By using bootstrap or resampling, the test result of the estimated coefficient of skills on performance through certification bootstrap results is 0.507 with a t hitung = 6.558> t table = 1.66216 with a standard deviation of 0.077. Thus the p value is 0.000 <0.05 and H1 is accepted which indicates that the indirect effect of skills on performance through certification is positive and statistically significant.

Table 3. Total Influence

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Knowledge -> Performance	0.681	0.696	0.085	7.981	0.000
Skill -> Performance	0.749	0.733	0.084	8.877	0.000

Source: The result of researched data processing (2023)

From the results of direct effects, indirect effects, and total effects of this study, researchers can conclude that all variables studied have a significant value and a positive influence. Therefore, the proposed hypothesis 1 is accepted. The next analysis process is by the Variance Accounted For (VAF) method on the effect of knowledge and skills on performance mediated by certification; it can be explained that knowledge and skills have a direct and significant influence on performance, thus meeting the criteria to

continue at the VAF value calculation stage. The mediation effect of the VAF method with criteria; no mediation (0%-19%), partial mediation (20%-80%), and full mediation (81%-100%), as follows:

Certification mediates the influence of Knowledge on Performance

$$VAF = \frac{indirect\ influence}{total\ Influencer} x100\% = \frac{0.487}{0.681} x100\% = 71{,}51\%$$

Certification mediates the influence of Skill on Performance

$$VAF = \frac{indirect\ influence}{total\ Influencer} x100\% = \frac{0.505}{0.749} x100\% = 67{,}42\%$$

Based on the VAF calculation, the certification variable mediates partial mediation on the effect of knowledge on performance with results reaching 71.51%, as well as the certification variable mediates partial mediation on the effect of skills on performance with results reaching 67.42%, meaning that the certification variable is not the only variable capable of mediating the effect of knowledge and skills on performance, however, there are still other variables and is an opportunity for further researchers. Hence, this study shows that certification is able to mediate the influence of knowledge and skills on performance, thereby proving that the hypothesis is accepted.

Discussion

Knowledge and skills significantly impact employee performance in both starred and non-starred hotels with ASEAN MRA-TP standards in Lampung Province. Higher knowledge and skills lead to better performance, aligning with various studies. Companies with knowledgeable and skilled employees improve efficiency and productivity. Knowledge management and skill development give companies a competitive edge. Balanced job procedures and personnel knowledge enhance employee performance and reduce resource wastage

Knowledge and skills positively influence employee competency certification in the hospitality industry. Higher knowledge and skills lead to better certification, ensuring credibility and accelerating careers. Certification recognizes workers' competence in knowledge, skills, and attitudes, aligning with research findings. In the industrial revolution 4.0 era, companies need competent human resources to analyze risks and find solutions. Professional Certification enhances competitiveness and productivity, benefiting both employees and companies.

Competency certification significantly improves employee performance in the hospitality industry. Certified employees gain credibility, recognized competence, better career opportunities, and clear expertise parameters. For companies, certification boosts productivity, work quality, employee recruitment, and motivation. Higher competency certification leads to better performance, supporting various research findings.

Knowledge and skills enhance employee performance through competency certification. Mediation effects show that good knowledge and skills improve performance further when supported by certification. Certification optimizes the impact of knowledge and skills on performance, indicating the importance of continuous development and validation.

Conclusion

This study aims to examine the influence of competency certification variables in mediating the influence of knowledge and skills on performance. Respondents are

management in the hotel industry both star and non-star hotels with Asean MRA-TP standards in Lampung Province. The study concluded that knowledge and skills directly have a significant positive effect on performance; knowledge and skills directly have a significant positive effect on certification; competency certification directly has a significant positive effect on performance; competency certification is positively and significantly able to mediate knowledge on performance; and competency certification is positively and significantly able to mediate skills on employee performance in hospitality companies both star and non-star hotels with Asean MRA-TP standards in Lampung Province. The implications for hospitality management are as follows. First, employee knowledge can provide significant results on performance if hospitality management is able to certify employee competence by standardizing Asean MRA-TP in Lampung Province. There must be alignment between employee knowledge applied with competency certification to improve performance in the hospitality business. Second, employee skills can provide significant results on performance if hospitality management is able to certify employee competencies with Asean MRA-TP standards in Lampung Province. There must be alignment between employee skills applied with competency certification to improve performance in the hospitality business, especially in Lampung Province, Indonesia.

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