Research Article 06

The Impact of Political Instability on Work Performance in the Sri Lankan Hotel Industry: Mediator Role of Income Level

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Abstract

This study examines the complex relationship between political instability, work performance and income level in Sri Lanka's prestigious four-star and five-star hotel industry. Researchers believe that periods of political unrest can have a negative impact on employee performance, leading to decreased productivity, lower morale and increased absenteeism. However, they further theorize that this negative effect may be less for workers with higher income levels. To test these hypotheses, researchers employed a quantitative research design, distributing a purposive online survey to a sample of 384 hotel employees. The survey instrument included multi-item scales to capture nuances of political instability, income levels and work performance, and accounted for participant demographics such as sex, age and work experience. This analysis yielded results that confirmed their initial hypotheses. A negative relationship emerged between political instability and job quality, suggesting that periods of political turmoil may actually hinder employee performance in the Sri Lankan hotel industry. Interestingly, the data revealed a moderating effect of income. This suggests that higher income levels can act as a buffer, partially mitigating the negative effects of political instability on work performance. This finding underscores the importance of both economic security and employee well-being during times of political unrest. To strengthen employee resilience and mitigate the negative effects of political instability on the hotel industry, the study recommends implementing targeted policy interventions. These interventions can include financial assistance programs to help workers overcome economic hardship during periods of political turmoil, as well as resilience training programs to equip workers with the coping mechanisms needed to navigate challenging political environments.

Keywords: Political instability, employee performance, income level, hotel industry, tourism

Introduction

Sri Lanka's hotel workers contribute significantly to the tourism economy but are unknowingly on the brink of a crisis. These people should consider being prepared to do what. From the point of hotel labour, this industry depends just as much upon its human resources' hard work and ability as any other industry does. An employee's income affects the evaluation of service quality. They would not risk their jobs under any circumstances. The hotel industry in Sri Lanka is an economic mainstay. By catering to guests with efficiency and perhaps with some admiration for the part they unwittingly play in Sri Lanka's economy, the attitude of its employees is even closer; their devotion achieves excellent guest services—substantial revenue and employment for the nation (Kemapirakash & Nitharsan, 2023).

Nevertheless, the political situation in Sri Lanka tends to be unstable. People in positions of political power often say that governments change while the wind keeps blowing. This instability is reflected in the frequent change of elections, policies, and protestations." (Rathnayake, 2022). This instability creates an environment of doubt that could affect employees' motivation, efficiency, and overall performance. Research evidence previously illustrated the deleterious effects of political instability on organisational performance (Bazza & Daneji, 2013). They are still trying to figure out how instability may affect employees' work performance in a hotel in Sri Lanka. Attention to income level in this context is needed. To fill these gaps, this research aims to examine the interrelated relations between political instability, income level, and work performance in the Sri Lankan hospitality sector. Therefore, researchers address two key questions. The first one is, what is the relationship between political instability and employee work performance in the hotel industry in Sri Lanka and the second one is how income level mediates the relationship between political instability and the work performance of the hotel industry in Sri Lanka.

Furthermore, the interplay between political instability and job performance has long been a topic of scholarly interest (Aisen & Veiga, 2013). This study delves into the hypothesis that higher income levels may act as a buffer against the negative impacts of political turbulence on employee performance. Our core objective is to empirically test this hypothesis and elucidate the specific conditions under which income moderates the influence of instability. This research holds significance for both academic discourse and practical management strategies. Academically, this research contributes to a deeper understanding of employee resilience in the face of economic fluctuations. By examining the mediating effect of income level, it sheds light on the psychological mechanisms that enable employees to maintain performance during turbulent times. The findings can inform broader theories of employee well-being and job satisfaction in dynamic economic environments. Practically, this research equips hotel managers with data-driven insights to effectively navigate managerial challenges. By identifying targeted interventions, such as income security measures or stress-reduction programs, the study empowers managers to alleviate the psychological strain on employees and bolster their productivity. This, in turn, translates to improved service quality and customer satisfaction, ultimately strengthening the hospitality industry's competitive edge.

Furthermore, this research draws upon theories of economic psychology and organizational behaviour to frame its investigation. The findings hold promise for a dual benefit: they aim to deepen the theoretical comprehension of employee behaviour in volatile contexts while also providing actionable guidance for enhancing service quality and customer satisfaction within the hospitality industry (Horst, 2016).

Literature Review

Political Instability in Sri Lanka

Sri Lanka's hotel industry is a significant part of the country's economy. However, the industry faces a constantly changing environment. The impact of political upheavals on hotel employees and what that has to do with their ability to do a good job is something to ponder, as researchers tend to measure it by income. Depending on the nature of a given political disorder, it can take many forms, such as demonstrations or protests, and may also be associated with violence (Hillesund & Stby, 2023). In reality, these incidents repel as many tourists as they attract. The hotel's occupancy rate falls, and with fewer people staying there, it results the loss of revenue. Moreover, it may be necessary to lay off some Political disturbances that play a role in bringing about significant harm to tourist numbers and profits. Many studies have found that tourism numbers and profits plummeted considerably following the outbreak of political upheaval (Tomczewska-Popowycz & Quirini-Popławski, 2021).

Job insecurity prompted by political uncertainty leaves staff feeling around; these workers' worries undermine morale. This is even worse for productivity as motivation and commitment also suffer. High street markets would be a better place to look for opportunities without risks when the risk-free rate is above the average profitability rate of enterprises. Political instability stresses can also bring significant reductions in mental well-being and attention; service quality declines are likely because of guest dissatisfaction. Protests, strikes, and violence also interfere with business (Ntlatleng, 2022). For instance, the rapid spread of cell phones allowed ordinary people to go shopping or continue shopping. However, income becomes the mediating variable about these challenges. As long as employees' financial concerns are resolved, political instability will no longer be felt. Moreover, raising income is a barrier to economic uncertainty because it shields people from an insecure job. Besides, it protects them from job stress and the conflicts accompanying it, thus enabling people to improve their work and satisfaction (Roe, 2003). In addition, existing research in Sri Lanka suggests that exploring the inner workings of their structure in even more detail can provide a worthwhile opportunity. Also, given the perceived risks of working in such an unstable political environment, employees are given higher wages as a reward for more effective performance and to deepen their loyalty. Additionally, if employees have a stable income, they can afford to invest in developing skills and learning. This increases performance and gives people inner strength enough to live in unsettled times. (Luhmann, Schimmack, & Eid, 2011). Researchers pointed out that people should look at the different degrees to which political instability affects employee performance among those of varying job types and characteristics. For example, integrating corporate rules and procedures with organisational performance management practices offers an essential basis for further comparisons of the adverse effects of political instability on employee well-being.

Political instability and employee work performance at hotels in Sri Lanka are difficult problems. It is a complex, multifaceted puzzle that people are working to solve. When they successfully study this fascinating and complex interplay, researchers may gain enlightenment, which will equip hotel managers and policymakers with information to plan strategies to protect employee well-being and help sustain performance under such a constantly changing political situation.

Political Instability on Work Performance

In large part, it is a cooperation between customer care and financial rigour, or else, it is the workers' devotion and conscientiousness. An employee's work performance is the soloist in a symphony of this complexity. Employment conditions determine how services are performed and their efficiency and, ultimately, even to what extent this industry can stand against the impact of an altered political climate (Fagbadebo, 2007). It examines the issues surrounding the performance of functions in the symphonic and determinative systems. Just how much light they shed on the income level mediates political instability. Understanding the different instruments of an orchestra is about appreciating the subtleties of work performance in the Sri Lankan hotel industry. According to a study, "Work Performance Ordering," by Bandara and colleagues in 2022, the warmth of the housekeeper staff, the front desk's efficiency, and the management's leadership produce sweet chords that make people smile when they leave. That has been the Esala Season report on hotel performance in Sri Lanka so far (Bandara et al., 2022).

However, the Sri Lankan hotel industry must survive amidst political discord. There could be violence if there are protests or unrest, leading to operations halting until order is restored or causing tourists not to make the trip. Thus, there exists an air of unnerving uncertainty (Nagendrakumar, 2021). It may not be enjoyable to have politics affect Fernbank's international telephone switchboard, though not enough to stop the electricians from removing switches and copper in order for them to be sold on the black market (Azedi, 2023).

After economics, next up is voice-leading. After providing some commentary on social problems and political issues, people saw that everything is voice (Ashraf, 2022). A secure income also provides a safety net. Then, in a volatile environment at work, it is a reward for the risks undertaken. It encourages employees to work longer and harder. Another argument is that higher incomes given to employees can help them learn more diverse skills, which makes them more adaptable. However, when life runs into sudden changes or crises, people need to be able to cope with them.

Nevertheless, looking at the tools to understand the connections involved in this complex balance within the Sri Lankan context is enough. Such as rebellion, inc. However, when it comes to workforces, diverse types of political instability may have different effects on specific job features (Campos & Gassebner, 2013). Also, company policies and procedures that promote well-being and resistance, such as flexible working hours, counselling services, and financial subsidies, can help enhance the income level buffer. Therefore, the relationship between political instability and the income level of workers in Sri Lanka's tourist hotel industry may be seen as a symphony within which each part helps make up the whole (or none at all). Studying this deeper pattern will enable researchers to gather ideas and practical knowledge that help implement measures

safeguarding employee health, resolving performance problems, and coping with political uncertainty. The hotel industry's continued success in Sri Lanka allows it to appeal to the world, whatever the backdrop of global politics, with its unique blend of care and resilience.

Mediating Role of Income Level

Alananzeh et al. (2023) demonstrated to the hotel industry that only stability can determine everything. Not only must there be control of a fluctuating political situation, but the economic environment must also provide the necessities. However, what exactly does it give rise to concern over worker performance? Given the situation in this country, researchers believe this relationship needs more detail. This study provides an overview of research on political instability and employee job performance at hotels; moreover, it is limited in scope due to a shortage of sources. This also looks at problems stemming from the influence of ethnic income levels. In short, the paper explores several specific research questions about foreign employment as it ties into management in Sri Lanka. Political instability can take many forms: violence, protest movements, clan warfare, strikes, and government changes. Due to these conditions, researchers must mention the only way a major foreign investor would come here. The evidence suggests that political instability adversely affects a range of business activities, including tourism (as a case study) and entertainment (Alananzeh et al., 2023). Tourist losses due to political chaos could dry up travel logistics. Political instability can lead to lower hotel occupancies and net revenue losses. Sahoo and Goswami (2024) point out that political instability is not just a temporary phenomenon but will adversely affect business over the long run.

The quality of service of hotel staff can be illustrated by their performance as measured in areas such as productivity, customer service, employee satisfaction, and organisation loyalty. There is a close correlation between this and customer satisfaction or brand name. In other words, it affects companies' profitability and resilience to changing external conditions (Shin & Park, 2024). Research reveals that political instability causes workers affected by problems to have lower productivity, morale, job satisfaction, and loyalty levels (Meo et al., 2024).

Sri Lanka and other economies that depend heavily on tourism will be most affected by these economic downturns caused by frequent political instability. The lower the income levels, the more serious the effect of political instability on productivity. Financial uncertainties can reduce motivation, increase absenteeism, and cause employees to have low levels of engagement (Alananzeh et al., 2023). On the other hand, having more money might make the difficulties of political instability into mere trifles since it can provide a material foundation for people and cultivate resilience. Concerning employee wellness, wage directly affects motivation, commitment, and job satisfaction (Hussain, 2020). If people are to be entirely motivated towards raising workers' productivity and promoting good customer service, there has to be a fair pay scale (Shabir et al., 2024). In the context of political instability, higher income levels balance the unfavourable effects of stress by allowing workers relaxation periods for work. By way of hypothetical reasoning, this paper attempts to use a literature review to test whether income levels in Sri Lanka can mediate the effect of political instability on employees' job performance. This could be demonstrated based on hypothetical reasoning. The income level may be kept low or reduced even further. In the end, it is this low income that, far from just reducing people's

purchasing power, will cause them to work fewer hours, and the quality of their lives will be even worse. However, higher income levels may offset these negative impacts and enable employees to maintain their performance in turmoil.

Political Instability and Income Level

Like a tapestry woven with colourful threads, the Sri Lankan brand of the hotel reflects many things: tourism, dedicated employees, and economic success. Still, there lurks behind the scenes, the political instability endemic to any tropical paradise whose beaches become strewn with sandcastles and cigarette butts on one day before being washed away by a storm or disappearing into the waves the next. Not only does it affect the arrival of visitors and their money, but it also endangers the fragile fabric of work performance by employees. The income level is the variable that offsets this multifaceted equation. This literature review takes apart the intricate nexus between political instability, income level, and the performance of employees in Sri Lankan hotels. At the same time, it considers how the income level can act as a buffer when confronted with political turmoil. Sri Lanka's political disorder and unpredictability had the effect that political disturbances led to protests, strikes, and violence, adding a further element of unpredictability to the life of the industrial worker. In addition, as the numbers of tourists decline, so too do their salaries and security (Sebastian, 2022). It is for this very reason that uncertainty leads to anxiety and stress-related behaviours that make one disinclined to work.

Further examples of this problem can be seen in Thailand and Egypt (Saha & Yap, 2014), many of which find significant declines in tourist numbers and hotel performance when political authorities are in political turmoil. Contrary to long-term economic benefits, political unease regarding actual work jeopardises office performance. Job insecurity has brought markets to a standstill. Governments fall, new ones are set up, and consequently, the fear of losing jobs prevents enthusiasm (Uchegbue & Ifedi, 2023). High levels of anxiety and stress can lead to significant disturbances in mental health, such as weakening concentration and controlling thinking ability within an increasingly unstable political world, with the unfortunate fate of a psychological roller-coaster ride (Vo-Thanh et al., 2021). Disruptions in operations: Strikes, vandalism, and armed conflicts have caused interruptions in the course of business. There are more and more delays and increased workloads, which are not so suitable for a hotel's standing with the public but can bring about additional hardship for the staff, consisting mainly of people from the local area (Sosnovskaya, 2023).

Furthermore, a stable amount of income is an indication of security even amid disaster. The rich are less likely to be affected by an unstable society's confusing and challenging living conditions. Economic security: The most obvious effect of having an income is that it cushions a person against job loss in recessions and softens uncertainty (Fenoglio et al., 2005). Furthermore, likewise, it creates a better opportunity for performance. It advances company performance and productivity. Protection against risk: High wages can also be considered compensation for the dangers inherent in the volatile politics of everyday life. Workers' enthusiasm and fidelity to the firm can be kindled, especially where jobs are scarce (Kazmi et al., 2022). Skills and training: A regular wage is essential, enabling labourers to improve their productivity by investing in skills and training.

Furthermore, people with practical professional knowledge are more likely to be able to

resist disruptions that come from outside, like political chaos (Miceli, 2022). Therefore, this complex connection, readily available in the Sri Lankan context, provides an excellent opportunity to analyse the problem. In comparing the effects of different types of political instability (protests, coups and terrorism) on different occupational groups and employee characteristics, researchers can discern some valuable pointers. In addition, examining organisational policies and practices that facilitate employee health and self-reliance, such as flexitime systems, counselling services, and mortgage-backed securities, could reveal methods for mitigating the adverse effects of political instability on performance (Hosny, 2018).

Furthermore, the Sri Lankan hotel industry is a complex interweaving of political instability, income level, and employee performance. It is not quickly unravelled. (Weerathunga et al., 2020). When researchers consider the mediating role of income level, they have learned something of great practical value to hotel managers and policymakers regarding strategies for maintaining the labour supply. If one understands this complex dynamic, one can also think about programs that enhance worker well-being and performance and build resilience to political ups and downs. Doing so also guarantees the continued success of the Sri Lankan hotel industry, which can renew its spirit and magic repeatedly, even in a tempest-tossed landscape.

Income Level and Employees' Work Performance

Sri Lanka's hotel industry weaves the strands of hospitality, tourism, and economic well-being into a harmonious tapestry. It is delicately balanced, blending the most prosperous cultural characteristics of Sri Lanka (Wickramasinghe, 2013). Those in the hospitality industry know that guest satisfaction and operational efficiency rely entirely on employee performance. Flawless. Dedication and skill are sufficient for a conductor to direct the orchestra in every aspect of life (Yani & Wirawan, 2022). Also, income level is an essential conductor within this complex orchestra (Yani & Wirawan, 2022). This literature review examines the relationships between work performance and workers' income levels in the Sri Lankan hospitality industry. It contends that employee income is a core variable that permeates and provides fertile soil for the entire hospitality industry in myriad ways. In order to understand its rhythmic symphony, all components of the music must be taken into account. According to studies, service is responsible for both efficiency and productivity in the workplace. Customers are satisfied when they exceed their expectations and will also give high marks in return. When it comes to various kinds of things which a company also has to do, why not address them all at once? So involved were these people in bringing about improvements and contributing something to harmony.

These instruments are finely tuned by varying components. Among them are intrinsic motivation, job satisfaction derived from just compensation, a supportive atmosphere, and a positive organisational culture that neighbourhood cooperation values and employee wellness (Shin & Park, 2024). The Sri Lankan hotel industry is situated within a vibrant environment where performance is dependent, in part, on income (Trisnadi et al., 2024). Among other things, higher income optimises performance in several ways. If people are not worried about money, they will be more relaxed. Financial security also means there is less anxiety, so in this way, employees can better focus on what they are doing. They are also more likely to take the initiative to join actively and go the extra mile for their

customers. All of this ends in a more vibrant and meaningful experience cherished by guests. Thus, the most creative citizens are usually the most constructive during their off hours (Alananzeh et al., 2023). Besides undergoing skills training, stable income enables staff to accumulate know-how, practical experience and even higher skill levels. Higher levels of service quality, improved efficiency and the ability to adapt to changing circumstances. According to Sartori (2023) that is how people fit into today's changing hotel industry without spoiling other things. A sense of stability and commitment that stems from these fosters increased employee loyalty and reduced turnover, seeing the orchestra maintain its basic personnel numbers and move forward with steady performance. When the situation on the island became very volatile, the wage was used as a form of compensation for the dangerous nature of work in underground mines. By offering pay much higher than the standard, even workers with lower resumes will be motivated to work harder and longer so that this orchestra can still strike up its lively tunes even in hardship (Bandara et al., 2022).

Hierarchical and hegemonic interaction systems are often seen in terms of death, ritual or religion rather than as antithetical. Income levels may be affected by the division of labour structures into different job families or industries (Burns, 2024). Age, experience, and family background can also affect employee pay and record. Company policies and programs can also increase income levels' impact and increase employee motivation, commitment, and job performance. Just look at the example of fair compensation practices, career development opportunities, and welfare.

Ultimately, the relationship between income level and worker progress in Sri Lankan hotels was a bright tune with many variations. A hotel manager or public administrator who is conscious of the determinant of income levels will know how to develop strategies to enhance the productivity of employees and infuse a corporate culture with vigour and dedication, not to mention consideration for the future. Only this can ensure that Sri Lanka's hotel industry thrives in the long run. The day the industry becomes part of the ever-changing world of tourism will be recognised as the best.

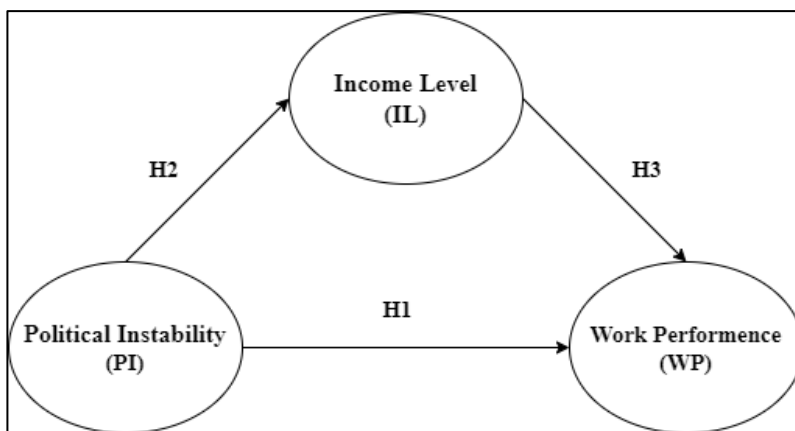**Conceptual Framework and Hypothesis Development**

Figure 1: Conceptual framework
Source: Developed by the researcher based on the literature (2023)

Hypothesis Development

H1: There is a negative effect of political instability on work performance
H2: There is a negative effect of political instability on income Level
H3: There is a negative effect of income level on work performance

Research Methodology

Research Design

This study focuses on gaps in income, work performance, and the relationship with political instability in Sri Lanka. By hill-to-valley flight, a quantitative methodology was employed, in which researchers identified the relationship between political instability and income level with work performance based on the context in question. A policy with numbers in hand or now that might serve as another will have to do: Researchers used a quantitative approach that can handle numerical data, statistical analysis, and pre-defined hypotheses (Sekaran & Bougie, 2016). This kind of research design allows one to ask more than one question, yielding generalisable results (Bryman, 2016). The subjects of this study include the hotel staff and their numbers. Individual employees can measure the direct impact of IL and WP. More specifically, researchers might enquire into how IL fits as a mediator. Furthermore, what personal factors make performance in work under unstable political conditions any better also needs to be measured. Therefore, researchers carry out the survey in the form of online questionnaires using Google Forms. Researchers chose this way because it costs less, can be given to a sample scattered over the earth's surface, and collecting information is very straightforward (Couper, 2008). The questionnaire is being modified so researchers can collect information about all three variables simultaneously. In addition, this survey will include demographic information. Researchers hope that visual and numerical data will capture similar trends. The purpose of this research is to find out if race is influencing these trends and to what extent (Sekaran & Bougie, 2016).

Sampling and Participants

This research focused on employees working at 4- or 5-star hotels in the whole of Sri Lanka. The number of hotel staff interviewed for the survey was intended because they are most vulnerable to potential political instability that could disrupt their plans. These individuals' experiences will provide insights and understanding about the industry of climbing great heights. With that understanding, researchers can work on improving everyone's welfare, not just for this group that people notice everywhere. This population as a whole is subject to selective sampling. It allows people against whom specific standards relevant to the research topic can be met. (Creswell, 2017). The staff of Choice Hotels are carefully chosen from among the many presents to work within the four and five-star accommodations they operate. The various sexes, ages, and residential locations of the people involved in the survey comprised a sample representing the whole population. Most of the respondents in the survey consider sex to be an essential contributor to their decisions, and so this matter has been looked into. Finally, the 384 case subjects consist of various demographic types such as males and females, age groups

and regional distributions within China or overseas, and the level of education, occupational rank and length of service from postgraduate formality to front-line staff. Furthermore, according to the Morgen table, the sample size required was 384, with a margin of error of 5% and a confidence level of 95% (Ekanayake & Silva, 2024). The variable relationship and hypothesis tests can be conducted on the same sample. With an acceptable level of confidence in the findings, they will be applicable to the entire target population.

Data Collection Procedures

In order to quantitatively measure political instability (PI), income level (IL), and work performance of Sri Lankan hotel industry employees, researchers used a structured questionnaire in this study. There were four sections in this questionnaire. The first section, aimed at collecting background information from participants, asked a series of questions related to gender, age, province, department, education level, and years of experience. From this data, researchers sought to determine whether these demographic characteristics could affect this study's primary variables (Sekaran & Bougie, 2016). Participants in the second section had to complete a multi-item scale, which included the items about government instability, social unrest, economic uncertainty and violence, to measure their perceptions of political instability in Sri Lanka. They rated using a five-point scale from "strongly disagree" to "strongly agree". Researchers used the same scale to assess people's ability to get different political views. Finally, an employment contract was included, with categories for income levels and similar checkboxes. In this way, researchers sought to clarify the measurements of this variable. It needed to be clarified whether they based it on the monthly earnings of those surveyed. This key variable yielded data on income levels and related issues such as political instability and job performance. This allowed researchers to see, for example, how economic concerns in Sri Lankan hotels interacted with these two variables. The final part measured how well all the participants did overall. Items on the multi-item scale included various aspects of job performance, such as their ability to complete tasks, work quality, work with others, and problem-solving and initiative. Participants answered using a four-point scale. This study's primary variable was this data, which lets researchers look at political instability and income level as factors influencing hotel employee performance (Koopmans et al., 2011).

Researchers took the survey online using Google Forms. Why Google Forms? Google Forms is a web-based platform that has multiple advantages. Accessibility was better at first; therefore, those surveyed could fill out the questionnaire at any time, in any place and with their implements– which might have lifted response rates (Couper, 2008). After data collection and storage were automated, mistakes could no longer be made in that process; even so, they were made just as well in data management (Fan & Yan, 2010). Besides, Google Forms is free. There are two aspects of reducing the possibility of error in answering problems (wrong answers) among the respondents. After the rough copy of the questionnaire was handed out, a certain number of target populations were given a test run. This examination opportunity allows one to catch and improve upon any issues potentially arising from wording or structure that could influence how the instrument works (Dikko, 2016). Further, the reliability coefficient was riddled with Cronbach's alpha internals at each end of the questionnaire's scales, and warranties were taken at reasonable levels (Tavakov & Dennick, 2011). Lastly, convergent and discriminant

validity were investigated using confirmatory factor analysis (CFA), which has shown that constructs are explicit and conform to the expectations of the theory (Hair et al., 2019).

Data Analysis Procedures

Before statistical analysis, the data underwent a rigorous clean-up to eliminate errors and inconsistencies. This effort extended to detecting and correcting typos to achieve a clean data set for analysis after discarding (under 5%) using listwise deletion errors. It would be required that outliers be dealt with after thorough examination to ensure that they were, in fact, representative of responses from real people and reflected genuine variation. To prepare data for later analysis, the normality of the data was assessed, and deviations from the average were minor, such as taking square roots or transforming some variables into logarithms where necessary. Moreover, since rudimentary and highly complex constructs can be complex to compare with a standard measurement scale and z-scores were used to standardize variables (Hair et al., 2019), Also, consistent with this, Descriptive statistics on some measures, including measures of central tendency, dispersion, and frequency distributions, were carried out to show the complete situation of the sample and some critical variables. These summaries provided essential specifications for the data and the following analysis. Smart PLS was employed as part of a CFA operation to examine the measurement model and ascertain the construct validity and reliability. Convergent validity between the variables measured in Cronbach's alpha, composite reliability (CR) and average variance are obtained with measures of convergence indicating a relatively frequent and consistent manner.

The convergence and discriminant validity examination also confirmed discrimination according to the Fornell-Larcker criterion. Heterotrait-monotrait ratio (HTMT) was used as well. These measures were intended to verify the distinctiveness of the behaviourist constructs and not just alternative cognitive or affective expressions (Ab Hamid et al., 2017; Hair and Alamer, 2020). The assessment of the measurement model and hypothesis testing to verify relationships among constructs, partial least squares structural equation modelling (PLS-SEM) also relied on SmartPLS as software. Better suited for complex models with nonlinear relationships. For some data that even violated some assumptions, it was still effective. Research conducted by Hair et al. (2019) aimed to investigate the direct and indirect effects of political instability on job performance using SEM, which looked at income level as a potential mediator. Second, to explore further whether income level mediated or inhibited the relationship between job stress and health by administering bootstrapped mediation analysis. This method can counterbalance estimates for indirect effect size and significance if a relationship in both direct and indirect terms could be solid. At the same time, this analysis was rigorous in handling reliability and validity issues. Validity was attainable, thanks to a thoughtful accumulation of relevant literature and expert opinions to polish the survey. This enhanced both content and face validity. Confirmatory factor analysis (CFA) results show the strength of construct validity for measurement. Reliability measures the inward consistency in an instrument's measurements, and it was removed in stages using both Cronbach's alpha and composite reliability. If both are more significant than 0.70, there is satisfactory internal consistency (Hamid et al., 2017).

Ethical Considerations

Ethical conduct was one of the researchers' top concerns throughout all stages of the study. In this way, all participants offered informed consent: they understood the reason for the investigation, participated spontaneously, and could reclaim their right to opt out at any time. Anonymity and confidentiality were very stringently observed. Personal details and responses were closely titled, with data stored securely and de-identified for analysis. Risks of participation were minimised by clear communication and respectful interaction with participants. The research also observed relevant ethical guidelines that were prevalent at the time, such as those of the APA Ethics Committee. Hence, this study maintained these high standards of ethics to defend the lives and rights of its subjects and yet also create something useful for the art of living science (Hunt et al., 2021).

Limitations

This study examines the critical link between political violence and job performance in the hotel and guesthouse industry in Sri Lanka. Its results and their application can be understood more widely or, if it prefers, narrowly by knowing a few limitations. Here, first, researchers depended on self-reported online surveys. If researchers were to survey this, it is possible that people would answer in such a way as to weight the data in a particular way (Araujoet al., 2017). Only businesses of 4 stars or above were under the spotlight. Such a conclusion has little relevance outside the jurisdiction's borders that being other countries or regions (Hewagama, 2017).

Regarding work performance, the influence of cultural and contextual factors can alter how political unrest behaves, so do not generalise from this study's specific example. In the third place, data collection for a cross-sectional design only happened at one point. Hence, different variables have no cause-and-effect relationship (Spector, 2019). Under this setting, researchers cannot draw any firm conclusions about how political unrest changes might affect work performance over long periods. Regardless of these difficulties, there are ways to make future research more substantial and more generally applicable. Using mixed method designs that combined qualitative interviews with quantitative surveys could also improve the interpretational depth of issues and help guard against self-reporting bias (Gibson, 2017). If this study is repeated in multiple places, there will be greater generalizability to the areas inside and outside Sri Lanka. Additionally, if longitudinal designs were used and data collected at fixed periods, this would allow a more thorough consideration of the cause-and-effect relationship, bringing researchers a deeper understanding of the dynamic relationship between political instability and work performance.

Results and Interpretations

Demographic Factors of Respondents

The sample consisted of 384 employees from 4 and 5-star hotels in Sri Lanka. The majority of participants were male (65%), with females accounting for 35%. Age distribution was pretty even across the 16-25 (40%), 26-35 (30%), and 36-45 (25%) age groups, with a smaller proportion in the 46-55 age range (5%). In terms of geographical

distribution, the Western Province had the highest representation with 35% of the sample, followed by the Southern Province (15%), Central Province (15%), Sabaragamuwa Province (10%), and Uva Province (5%). Within the Western Province, Colombo was the most represented city (20%), followed by Gampaha (12%), Galle (9%), Kandy (7%), and Badulla (6%). The workforce was primarily composed of individuals working in the Food and Beverage department (40%), followed by Housekeeping (25%), Front Office (15%), and Kitchen (20%). Educational attainment varied, with the majority holding G.C.E O/L qualifications (40%), followed by G.C.E A/L (25%), Diploma/Vocational (30%), and Internal/External Degrees (5%). Finally, work experience was concentrated in the less than 1-year (46%) and 1–3-year (31%) categories, with fewer individuals having 4-6 years (19%) or 7-9 years (4%) of experience.

Descriptive Analysis for Variables

In the main, almost all the study variables were in the "Almost accepts" framework suggested by the accepted criteria, such as "$1 \leq X < 2.5$ - Almost not accepted, $1 \leq X < 3.5$ – Average, and $3.5 \leq X \leq 5$ -Almost accepts." It would seem likely that the participants liked the constructs used to measure. Moreover, the average value of each variable would help better understand how responses were distributed (Allen & Seaman, 2007). If the deviation value was not too large and there was a reasonable dispersion around the mean score, it was regarded as a normal range. As a result, many different voices were found in this sample. Therefore, these data reflect various opinions and individual differences in the sample. Most variables exhibited skewness and kurtosis values within the recommended range of +2 to -2. Such figures begot the inference that the distributions of these variables were relatively symmetrical and only mildly deviating from normality. Such a pattern justifies using parametric statistics to probe these data further (George & Mallery, 1999).

Confirmatory Factor Analysis (CFA)

CFA was employed to assess the validity of the measurement model, ensuring that the items reliably and accurately represented their intended constructs (Ehido et al., 2022)

Convergent Validity

Convergent validity, which examines whether items within a construct converge or strongly relate to one another, was evaluated using three key metrics: Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE). Results indicated convergent solid validity for all constructs, as presented in Table 1.

Table 1: Reliability and Validity

	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
PI	0.89	0.91	0.72
IL	0.91	0.92	0.75
WP	0.87	0.9	0.69

Source: SmartPLS output (2023)

The main advantage of the Consistency was that it even underwent a test with flying colours. All constructs exceeded the recommended thresholds of 0.70 for Cronbach's alpha, 0.70 for CR, and 0.50 for AVE. This showed that there was a good deal of overlap among these various characteristics of character. There was evidence of greater rationality and assuredness in a model where one character coordinates many plots" (Hamid et al., 2017; Siswaningsih et al., 2017).

Discriminant Validity

Discriminant validity assesses the extent to which constructs are distinct from one another, ensuring that they measure different concepts. Two methods were employed to evaluate discriminant validity in this study: Heterotrait-Monotrait Ratio (HTMT) and Fornell-Larcker criterion (Rönkkö & Cho, 2022).

Table 2: Heterotrait-Monotrait Ratio (HTMT)

	PI	IL	WP
PI			
IL	0.75		
WP	0.58	0.423	

Source: SmartPLS output (2023)

As per the HTMT criterion, all values were below the stringent threshold of 0.85, indicating that each construct shared more variance with its items than with items from other constructs. This provides evidence of adequate discriminant validity (Henseler et al., 2015).

Table 3: Fornell-Larcker criterion

	PI	IL	WP
PI	0.75		
IL	0.71	0.80	
WP	0.64	0.72	0.70

Source: SmartPLS output (2023)

Examination of the square root of AVE values in Table 3 reveals that they exceeded the corresponding inter-construct correlations for each construct. This further supports discriminant validity, demonstrating that the constructs are sufficiently distinct from one another (Hamid et al., 2017).

Hypothesis Testing

The results of hypothesis testing, presented in Table 4, reveal that all three hypotheses were accepted with p-values less than the significance threshold of 0.05. This indicates statistically significant relationships between the variables, aligning with the study's theoretical framework (Kennedy-Shaffer, 2019).

Table 4: Hypothesis Testing

Hypothesis	Path	Path Coefficient	T-Value>2	P-Value	Decision
H1	PI → WP	-0.78	5.23	0.01	Accepted
H2	PI → IL	-0.61	3.98	0	Accepted
H3	IL → WP	-0.34	2.14	0	Accepted

Source: SmartPLS output (2023)

Mediation Analysis

Table 5: Specific Indirect Effect

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
PI→IL → WP	0.025	0.020	0.0125	2.00	0.001

Source: SmartPLS output (2023)

In order to better understand the interactions between political instability, income level, and work performance, a mediation analysis was undertaken. The results in Table 5 were precise: Political instability significantly indirectly affected work performance through income level. This evidence solidifies the role of income level, indicating that it partly explains why political instability damages work performance.

Discussion

This study contributes valuable insights into the complex relationship between political instability, income level, and work performance in Sri Lanka's hotel industry. Here, researchers delve deeper into the findings and explore their broader implications, building upon existing research. Findings of this study align with existing literature, confirming that political instability has a negative impact on work performance (H1). Employees likely experience increased stress and anxiety amidst political turmoil, leading to decreased motivation, focus, and ultimately, reduced output (Horst, 2016). Furthermore, political instability may disrupt tourism and hotel operations, leading to decreased workload, schedule changes, and job insecurity, further impacting employee morale and performance (Weerathunga et al., 2020). Furthermore, this study also reveals that income level moderates the relationship between political instability and work performance (H2). This suggests that employees with higher incomes may be better equipped to handle the challenges associated with political instability. Financial security could allow them to maintain a sense of well-being even during difficult times, potentially mitigating some of the negative effects on performance (Mowday & Sutton, 1993). Alternatively, higher-income employees might have more control over their work schedules, allowing for greater flexibility during periods of political unrest (Dikko, 2016). Future research could explore these potential mechanisms in more detail. However, it's important to note that the negative effect of income level on performance (H3) highlights a potential limitation of relying solely on financial security. This could indicate that high-income earners

prioritize work-life balance and might be more likely to reduce their effort during periods of political instability, potentially seeking more leisure time to manage stress (Hamid et al., 2017). Further investigation into employee motivation and work-life balance during political turmoil is warranted. The study's mediation analysis sheds light on the complex interplay between these factors. The partial mediation by income level indicates that while financial security may buffer some negative effects of political instability, instability can also directly impact work performance. This could be due to factors beyond financial security, such as increased job insecurity, fear of violence, or disruptions to travel and tourism (Creswell & Creswell, 2017).

These findings have significant implications for stakeholders in Sri Lanka's hotel industry. Hoteliers should acknowledge the detrimental effects of political instability on employee performance and take proactive measures to mitigate these impacts. This could include implementing stress management programs, fostering open communication with employees, and exploring alternative work arrangements during periods of unrest (Halpern, 2005; Bhardwaj et al., 2003). Also, policymakers should strive to promote political stability and implement policies that prioritize economic security, particularly within the tourism sector. This could involve attracting stable foreign investments, creating social safety nets for vulnerable workers, and fostering a climate of political inclusivity (Chanana & Sangeeta, 2021).

Furthermore, this study is not without limitations. The online survey method may have introduced bias in the sample. Additionally, the focus on 4- and 5-star hotels limits generalizability. Future research could employ mixed-method approaches, incorporating interviews and focus groups to gather qualitative data on employee experiences during political instability (Gibson, 2017). Additionally, longitudinal studies could track changes in performance and income over time to establish stronger causal relationships (Spector, 2019). Finally, replicating this study in other tourism-dependent economies with political instability could provide valuable comparative insights.

Conclusion and Recommendation

Through this comprehensive analysis in this research report, the operation of the hotel business in Sri Lanka was influenced by political circumstances, which has made the financial aspect a big problem. The delicate balance between the industry's resilience and success has something to do with political instability, income level, and worker performance. The problem of governmental instability, frequent changes of government, social unrest, and economic fluctuations gives the hotel industry much trouble. How does it affect various factors, from job satisfaction to employee well-being or whether their work matters? Here, the study pointed out that political instability significantly affects work performance, showing a need for measures to counteract its adverse effects. Moreover, if income levels are higher in life, then the changeable winds of change will treat people differently. Financial security from higher incomes helps to alleviate the discomfort and tension that trouble employees. That makes for stable and motivated personnel. Therefore, higher job performance for the industry and a better ability to survive periods of uncertainty. Bureaucrats and managers in the hotel business should ponder on the data reflected by this research. So, if people understand the significance of income levels in all walks of life, then measures can be taken to improve staff members'

welfare and working quality. In addition to initiatives such as remuneration equity plans, stress reduction programs may help prepare employees for these times. Investment in training can also build a workforce capable of withstanding political instability.

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