

## THE IMPACT OF HUMAN RESOURCES ON THE ADAPTIVE RESILIENCE OF DOMESTIC TOURISM BUSINESSES

Tran Duc Anh <sup>1</sup>, and Nguyen Duc Bao Long <sup>2</sup>

<sup>1</sup> Foreign Trade University (FTU), Hanoi, Vietnam.

<sup>2</sup> [1] Charisma University, School of Business, Turks and Caicos Islands. [2] Nguyen Tat Thanh University, Ho Chi Minh City, Vietnam. ORCID ID: 0000-0002-4631-9549

Corresponding author email: [ducanh293@gmail.com](mailto:ducanh293@gmail.com)

### ABSTRACT

The issue addressed in this research is the critical role of human resources in enhancing the adaptability and resilience of domestic tourism businesses. The study investigated how human resources quality directly impacts the ability of these businesses to navigate market fluctuations and external disruptions, particularly in crises. Another objective was to examine the relationship between employee skills, flexibility, and the competitive sustainability of tourism businesses. The research also focused on identifying effective human resources management practices that foster resilience. A quantitative approach was applied, and surveys and interviews were conducted among domestic tourism businesses by Structural Equation Modeling (SEM) using AMOS (Analysis of Moment Structure), with responses collected from 685 industry professionals across various regions. The research also reviewed existing literature on human resources development and organisational adaptability in the tourism sector. The results revealed that businesses with high-quality human resources were more adaptable to changes in the market and external challenges, such as the COVID-19 pandemic. Effective human resources management practices, including continuous training, was found to significantly enhance organisational resilience. The principal conclusion is that aligning human resources strategies with broader organisational goals is essential for tourism businesses' long-term sustainability and competitiveness.

**Keywords:** Adaptability, CB-SEM, Vietnam Tourism, Human Resources Development (HRD), Organisational Resilience.

**JEL Classification Code:** J24, L88, M12, M53, O15

## INTRODUCTION

In today's dynamic business environment, businesses, particularly those in the tourism sector, are operating amidst rapid technological advancements. This scenario demands constant innovation and creativity in product and service delivery to meet the ever-increasing customer expectations. Tourism is a labour-intensive industry, requiring a substantial workforce to participate directly or indirectly in providing products and services to tourists.

In the highly competitive tourism market, the strength of tourism businesses does not lie in technical equipment, space, information technology, or the types of tourism products and services offered. All these aspects can be invested in and changed. Instead, the true strength of the tourism business is the human resources quality (HRQ) (Kucukusta, 2020). Tourist satisfaction with tourism services depends directly on the quality of service provided by the tourism businesses' staff. It can be asserted that few business activities depend as much on the HRQ as the tourism business sector.

The quality of a customer's holiday or tour largely depends on the service attitude, proactivity, experience, skills, and professional competence of tourism business employees. Therefore, the HRQ is one of the most critical resources of a tourism business, directly affecting the competitiveness and survival of the business in the market. Human resources are the force that connects all other resources of the business into a unified whole (Kaznacheeva et al., 2018).

The tourism industry continuously adapts to new market trends, with tourism human resources striving to adapt to the increasing demands of tourism service users (Chalimourda & Konstantopoulos, 2020). Only high-quality personnel can cope with the challenges posed by the competitive business environment. To gain and maintain a competitive advantage, tourism businesses need to focus on training, knowledge enhancement, changing human resources management methods, and encouraging and recognizing the creativity and innovation of human resources to respond promptly to market anomalies.

Domestic tourism is the main driver of the tourism industry in major economies globally, accounting for 72% of total tourism and travel spending in 2019 and 85% in 2021 (WTTC, 2023). Experts affirm that domestic tourism is considered a more sustainable and reliable form of tourism (Seyfi et al., 2022), recognized worldwide as a dynamic part of the industry with potential for growth and sustainable development.

## Problem Statements

This research investigates how HRQ impacts the resilience of domestic tourism businesses, particularly their ability to adapt to market fluctuations and disruptions. It investigates how human resources development (HRD), and skill enhancement improve crisis management capabilities. The study examines the relationship between employee flexibility, knowledge, and competitiveness, identifying effective human resources management practices that foster resilience. Additionally, it highlights the importance of aligning human resources strategies with organisational goals to enhance adaptability and sustainability in a rapidly changing environment. The research aims to provide actionable insights for strengthening the resilience of tourism businesses in volatile markets.

## Research Questions

- What is the current relationship between HRQ and the adaptive capabilities of domestic tourism businesses in Vietnam?
- To what extent does the HRQ influence the adaptive capabilities of domestic tourism businesses in Vietnam?
- What recommendations can be made to enhance the adaptive capabilities of domestic tourism businesses in Vietnam through improvements in HRQ?

## **LITERATURE REVIEW**

This review examines the relationship between HRQ and the adaptive capabilities of domestic tourism businesses, highlighting key factors influencing adaptability. The review explores theoretical foundations, empirical studies, and research gaps, providing a framework for understanding how human resources contribute to organisational resilience in tourism.

### **Enhancing the Adaptability of Tourism Businesses**

Research emphasises that adaptability is vital for tourism businesses to respond to environmental changes. It is not just reactionary but an ongoing, flexible process that allows businesses to adjust structures, behaviours, and activities to stay resilient and sustainable. Adaptability as recognising and leveraging market opportunities (Hofer et al., 2015). Adaptability includes monitoring markets and customers, handling feedback, and adjusting marketing activities (Kaznatcheeva et al., 2018).

Empirical studies reinforce this notion. Adaptability as adjusting pricing and promotional policies based on market shifts and competition monitoring, adaptability to information systems and market analysis (Ngatno & Dewi, 2019), while flexibility in sales and marketing is key for Vietnamese tourism businesses (Bui & Pal, 2022). Organisational design plays a critical role in adaptability. Businesses need to adjust structures to meet new demands, flexible organisational structures and innovative management as indicators of adaptability (Song et al., 2019).

Employee adaptability is also important as it is reflected in employees' understanding of strategic adjustments and their learning capabilities. While education, skills, experience, and attitudes toward professional roles significantly influence adaptability (Song et al., 2019). Social adaptability, including alignment with community norms, is also a key factor which helps businesses mitigate adverse impacts and seize new opportunities. It plays a crucial role in responding to environmental and climatic changes, emphasizing its importance for small and medium-sized enterprises (SMEs) in adjusting to external conditions. Investing in technology is essential for tourism businesses to adapt to changing conditions and visitor demands. Adaptability enables SMEs to explore market opportunities and develop new offerings (Ngatno & Dewi, 2019).

Domestic Vietnamese tourism businesses, characterised by short-term investments and limited capital, also rely on collaboration and government support to enhance adaptability (Phan et al., 2021). The COVID-19 pandemic forced businesses to adapt by restructuring activities, managing debt, and utilising flexible support policies (Bui & Pal, 2022; Hien & Long, 2021; Long et al., 2023). Innovation is essential for SMEs, with adaptability driving sustainable growth. At the same time, training and capacity-building for the tourism workforce during crises are important (ILO, 2020).

In summary, adaptability is crucial for tourism enterprises facing market competition and crises. Businesses must adopt flexible response measures, including leveraging sales and marketing strategies, improving HRQ, adopting technology, and restructuring organisational systems.

### **Factors Affecting the Adaptability of Tourism Businesses**

#### *External Factors*

The adaptability of tourism businesses is influenced by various external factors, including demographic, economic, political, legal, socio-cultural, and technological elements (Long, Trang, et al., 2022; Porter, 2023). These factors shape the business environment and affect adaptability. Social, economic, and institutional factors also play a role in influencing adaptability. Additionally, adaptability is shaped by social capital, human capital, and governance structures. Social capital includes networks and collaboration, while human capital

involves education and knowledge (Long, Ooi, et al., 2022).

Economic factors, such as government financial aid and tourism investment policies, significantly affect adaptability. In the absence of government support, local knowledge and experience become essential for adaptation, though these efforts can be short-term and spontaneous, with long-term negative impacts (Anh et al., 2017). This highlights the need for government involvement in long-term supportive policies.

Human capital, especially local geographic knowledge and cultural understanding, significantly impacts adaptability. Adaptability proved crucial for the tourism industry during the pandemic, highlighting the need for businesses to adjust to both the severity and duration of crises. Legal factors, such as laws and policies, also play a significant role in business performance (Anh et al., 2017; Long, Ooi, et al., 2022). Institutional conflicts, arising from mismatches between legal frameworks and their enforcement, can hinder tourism development.

### *Internal Factors*

Internal factors play a crucial role in determining the adaptability of tourism businesses. Key internal capabilities that promote adaptability include flexible risk management processes, strong staff expertise, and effective internal communication. Governance structures and management processes also significantly influence how well businesses can adapt to changing environments (Anh et al., 2022). Additional internal factors that enhance adaptability include the quality of organisational management, commercial and technological innovation, and policies that foster innovation (Dung & Long, 2023; Hrosul, 2018). During the COVID-19 pandemic, factors such as supply chain flexibility, operational flexibility, sales and marketing flexibility, and financial flexibility were identified as critical, with supply chain flexibility being the most influential (Hien & Long, 2021; Long et al., 2023).

These findings indicate that internal factors are critical for business adaptability, including governance structure, human resources management, employee expertise, and flexibility in operations, sales, marketing, and finance.

### **The Relationship between HRQ and the Adaptability of Tourism Businesses**

Most studies confirm a positive relationship between HRQ and the adaptability of tourism businesses. A skilled workforce is essential for adapting to environmental changes and overcoming challenges to achieve organisational goals. Strategic human resources development, aligned with organisational needs, enhances crisis management capabilities, while training and learning initiatives provide the flexibility needed to handle crises (Koev et al., 2019; Ngatno & Dewi, 2019). Additionally, transformational leadership fosters creative thinking and innovation, which are crucial for managing in dynamic environments. Flexible HR strategies, including leadership sensitivity and strategic planning, also contribute to adaptability (Prayag & Dassanayake, 2023). Ultimately, HRQ plays a vital role in ensuring long-term sustainability and competitiveness in the tourism industry.

### **LITERATURE GAPS**

After reviewing studies on the impact of HRQ on the adaptability of domestic tourism businesses, several research gaps have been identified. Although the relationship between HRQ and business adaptability is widely studied, there is no consensus on definitions specific to domestic tourism businesses. There is also a lack of empirical research exploring the extent to which HRQ factors influence the adaptability of these businesses in Vietnam. Existing studies tend to either provide general evaluations of HRQ, qualitative assessments of employee adaptability, or measure business adaptability in isolation. Furthermore, comprehensive evaluations of HRQ components, broad criteria for measuring adaptability, and business adaptability remain unexplored areas requiring further research.

## METHODOLOGY AND RESEARCH MODEL

This study employed a quantitative approach and involved respondents such as domestic tour guides, destination tour guides, travel and tourism agencies, tourism and travel services management, tour operators and organisers, tourism marketing professionals, combo/tour businesses, domestic tour designers and guides, online customer consultants, restaurant and hotel staff, travel managers, and hotel managers. Data was collected through a Likert-scale 5-point survey of 638 individuals. The responses were then coded and analyzed using SPSS and AMOS which measured frequency analysis, reliability, confirmatory factor analysis, and correlation analysis. Path coefficient analysis was employed to evaluate the relationship between predictors and the dependent variable within the proposed research framework. The conceptual framework above illustrates the relationship between variable factors, and adaptability and resilience of domestic tourism businesses.

### Hypotheses

- Hypothesis 1: There are positive relationships between Knowledge and Agile Innovation (H1a), Diverse Functionality (H1b), and Market Insights (H1c) in local tourism businesses.
- Hypothesis 2: There are positive relationships between Skill and Agile Innovation (H2a), Diverse Functionality (H2b), and Market Insights (H2c) in local tourism businesses.
- Hypothesis 3: There are positive relationships between Attitude and Agile Innovation (H3a), Diverse Functionality (H3b), and Market Insights (H3c) in local tourism businesses.

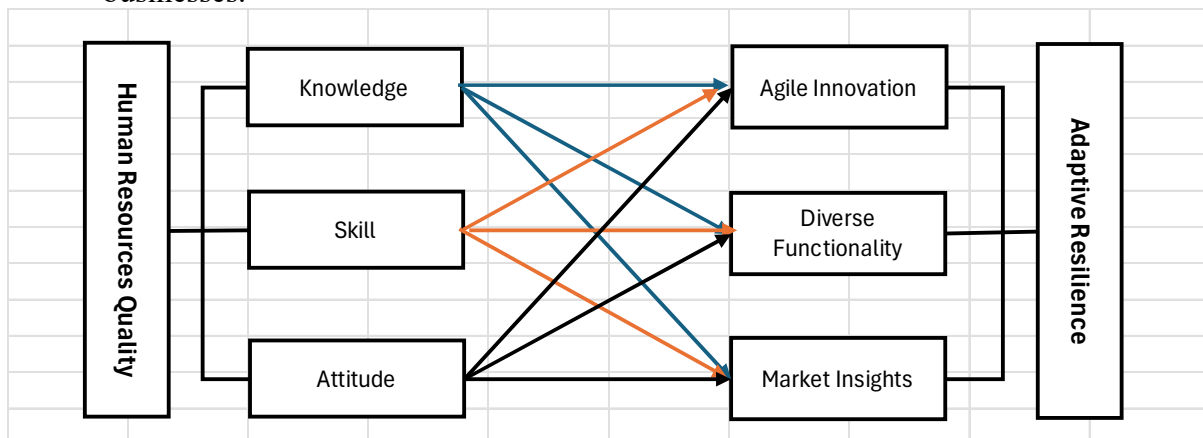


Figure 1. Conceptual Framework

## RESULTS AND DISCUSSION

### Demographic Profile

Table 1. Demographic Profile

No.	Category		Frequency (N=638)	Percent (%)
1	Gender	Male	244	38.2
		Female	367	57.5
		Prefer not to say	27	4.2
2	Age	18 to 25	286	44.8
		26 to 45	294	46.1
		Over 45	58	9.1
3	Job	Domestic tour guide	93	14.6

		Destination tour guide	53	8.3
		Travel and tourism agency	56	8.8
		Management of tourism and travel services	54	8.5
		Operate and organize tours	50	7.8
		Tourism marketing	60	9.4
		Combo/tour business	55	8.6
		Design and guide domestic tours	45	7.1
		Online customer consultation	51	8
		Restaurant and hotel staff	51	8
		Travel management	38	6
		Hotel management	32	5
4	Experience	Under 1 year	288	45.1
		From 1 - 5 years	248	38.9
		From 5 to 10 years	64	10
		From 10 - 15 years	21	3.3
		From 15 - 20 years	12	1.9
		Over 20 years	5	0.8
5	Education Level	Vocational certificate, vocational card	51	8
		Elementary, intermediate	55	8.6
		College	227	35.6
		University	274	42.9
		Post-graduate	26	4.1
		Other	5	0.8

The demographic profile revealed a predominantly young and female workforce in the tourism sector, with 57.5% being female and most respondents aged 18 to 45. There was a strong presence of new entrants, with 45.1% having less than one year of experience, and 38.9% with one to five years of experience. The most common job roles included domestic tour guides (14.6%) and tourism marketing (9.4%). Additionally, the majority of respondents had higher education qualifications, with 42.9% holding university degrees and 35.6% having completed college, highlighting the industry's attraction to well-educated individuals.

### Variable Quality Measurement

Table 2. Variable Quality Measurement

No.	Variable/ Indicator	Mean	Factor Loading	Cronbach's Alpha	KMO	% of Variance
<b>IV</b>	<b>HUMAN RESOURCES QUALITY</b>					<b>70.9</b>
IV1	KNOWLEDGE			0.736	0.904	
1	I know local history, culture, geography, and ecology	3.9	0.640			
2	I have specialized knowledge in tourism (market, customers, operations, service quality)	4.0	0.691			
3	Know about the organizational activities of the business	3.9	0.673			
4	Understanding of the company's tourism product and service system	4.0	0.765			
5	Knowledge of using equipment, tools, and information technology to serve work.	3.8	0.717			
IV2	SKILL			0.883	0.904	

The Impact of Human Resources on the Adaptive Resilience of Domestic Tourism Businesses

1	I have the next skill at work	3.8	0.585			
2	Skills in understanding psychology, marketing, and customer care	3.8	0.629			
3	Problem identification and resolution skills	3.8	0.616			
4	Consulting skills and convincing customers to use services	3.8	0.633			
5	I am susceptible to changes in business and the environment	3.7	0.605			
6	Collaboration and working skills group	3.8	0.670			
7	Skills in planning and organizing work	3.8	0.643			
8	I use computing devices, tools, and information technology for work	3.8	0.667			
9	I know how to use foreign languages for work.	3.8	0.619			
IV3	ATTITUDE			0.925	0.904	
1	Resolve customer requests: quickly, promptly, effectively and by business regulations	3.7	0.804			
2	Enthusiastically advise on tourism products to serve customers	3.8	0.799			
3	Have fun when interacting and communicating with customers	3.8	0.810			
4	Respect, care and support customers	3.8	0.819			
5	Maintain and create solid relationships with customers	3.7	0.822			
6	Enthusiastic and dedicated to work	3.7	0.798			
7	Proactively equip knowledge and skills to increase work efficiency.	3.8	0.792			
8	Attitude to learn and accept learning	3.8	0.814			
9	Have a spirit of supporting colleagues	3.8	0.810			
10	Ready to adapt and change, proactively use information technology resources in tourism business	3.8	0.794			
11	Consciously pay attention to the quality of work	3.8	0.805			
12	Comply with the company's labor regulations.	3.8	0.815			
13	Comply with regulations on business ethics of tourism businesses (service style, quality management policy)	3.8	0.829			
14	Ability to coordinate and coordinate with colleagues to achieve results for common goals.	3.7	0.822			
15	Know how to build relationships and collaborate well with departments/departments of the business	3.7	0.786			
16	Preserve the image, personal reputation, and reputation of leaders, colleagues and business	3.8	0.799			
17	Preserve and build internal solidarity	3.7	0.799			
18	Comply with work assignments from superiors	3.7	0.770			
<b>DV</b>	<b>ADAPTIVE RESILIENCE</b>					<b>69.7</b>
DV1	AGILE INNOVATION			0.839	0.936	

1	Enterprises have flexible organizational structures	3.8	0.796			
2	Enterprises innovate ways of organization and management	3.8	0.772			
3	Business leaders have appropriate management styles to adapt	3.8	0.793			
4	Businesses can adapt to market changes	3.8	0.820			
5	Businesses seek and use new technologies	3.8	0.800			
6	Managers' decisions are shared and involve employees	3.7	0.779			
7	Business leaders have the adaptability to make quick and decisive decisions.	3.8	0.825			
DV2	DIVERSE FUNCTIONALITY			0.796	0.936	
1	Departments within the enterprise have the autonomy to make quick and decisive decisions.	3.8	0.770			
2	Have trust in colleagues and the management of the business	3.7	0.768			
3	Effective business communication	3.8	0.791			
4	Departments have access to enterprise information	3.8	0.816			
5	Resilient departments in the face of business change and adaptation	3.8	0.753			
6	Be proactive at work	3.8	0.776			
7	Departments can analyze and propose solutions to business problems	3.8	0.812			
DV3	MARKET INSIGHTS			0.797	0.936	
1	Businesses can quickly find problems that need to be adapted and resolved	3.8	0.775			
2	Businesses carry out monitoring and tracking of customer needs	3.8	0.776			
3	Businesses can identify opportunities and threats from the information collected	3.8	0.779			
4	There is information circulation between departments and divisions in the enterprise	3.7	0.774			
5	Businesses have diverse sources of information, increasing their choices in response to market changes	3.8	0.768			
6	Enterprises have management information systems to store, access and analyze information	3.8	0.770			
7	Enterprises organize competition monitoring activities	3.8	0.814			

Table 2 showed the factor loadings, reliability, and KMO (Kaiser-Meyer-Olkin) statistics for various HRQ constructs and Adaptive Resilience. The HRQ variable, encompassing Knowledge, Skill, and Attitude, had a high overall reliability with a Cronbach's Alpha of 0.904 and explained 70.9% of the variance. Adaptive Relisience also exhibited strong reliability (Cronbach's Alpha = 0.936) and accounts for 69.7% of the variance. Factor loadings for each indicator within the variables ranged from moderate to high, indicating a good fit for the model.

### Performance Metrics

The performance metrics table provided an overview of the relationships between the

independent variables (Knowledge, Skill, and Attitude) and the dependent variables (Agile Innovation, Diverse Functionality, and Market Insights). Key metrics such as F-statistics, Adjusted R<sup>2</sup>, Standardized Coefficients (Beta), t-values, p-values (Sig.), and Collinearity Statistics (VIF) are reported.

Table 3. Performance Metrics: F-statistic, Standardized Coefficients (Beta), t-values, p-values (Sig.), and Collinearity Statistics (VIF)

	Variable	F	Adj. R2	Beta	t	Sig.	VIF
DV1	Agile Innovation	1082.279	0.716				
IV1	Knowledge			0.311	10.763	0.000	1.341
IV2	Skill			0.116	6.980	0.000	1.541
IV3	Attitude			0.760	41.401	0.000	1.542
DV2	Diverse Functionality	963.755	0.692				
IV1	Knowledge			0.593	25.142	0.000	1.341
IV2	Skill			0.116	6.602	0.000	1.541
IV3	Attitude			0.759	39.069	0.000	1.542
DV3	Market Insights	953.030	0.690				
IV1	Knowledge			0.030	1.861	0.063	1.001
IV2	Skill			0.107	6.012	0.000	1.541
IV3	Attitude			0.770	39.187	0.000	1.542

For Agile Innovation (DV1), the model had an F-statistic of 1082.279 and an Adjusted R<sup>2</sup> of 0.716, indicating that 71.6% of the variance is explained by the predictors. Attitude (Beta = 0.760, t = 41.401), Knowledge (Beta = 0.311, t = 10.763), and Skill (Beta = 0.116, t = 6.980) were all statistically significant (p = 0.000) contributors. The VIF values were all below 2, showing no multicollinearity issues.

For Diverse Functionality (DV2), the model's F-statistic was 963.755 with an Adjusted R<sup>2</sup> of 0.692. Attitude (Beta = 0.759, t = 39.069) was the strongest predictor, followed by Knowledge (Beta = 0.593, t = 25.142) and Skill (Beta = 0.116, t = 6.602). All predictors were statistically significant (p = 0.000), and the VIF values indicated low multicollinearity.

For Market Insights (DV3), the F-statistic is 953.030 and the Adjusted R<sup>2</sup> is 0.690. Attitude remains the dominant predictor (Beta = 0.770, t = 39.187), with Skill (Beta = 0.107, t = 6.012) also significant. Knowledge (Beta = 0.030, t = 1.861) was not statistically significant (p = 0.063) but authors accepted it. The VIF values again confirmed no multicollinearity concerns. Overall, Attitude was the strongest and most consistent predictor across all dependent variables, with Knowledge and Skill playing varying roles depending on the outcome measured.

### Fit Model Evaluation

Table 4. Fit model

No.	Measure	Cut-off Value	Obtained Value	Decision
1	Chi-square/df	1~3	2.587	Supported
2	CFI (Comparative Fit Index)	> 0.9	0.945	Supported
3	TLI (Tucker-Lewis Index)	> 0.9	0.923	Supported
4	RMSEA (Root Mean Square Error of Approximation)	< 0.08	0.058	Supported

Table 4 displayed the fit model evaluation based on four measures. The Chi-square/df ratio fell within the acceptable range of 1 to 3, with a value of 2.587, indicating support for the model.

The Comparative Fit Index (CFI) was 0.945, exceeding the 0.9 threshold, thus supported. The Tucker-Lewis Index (TLI) was 0.923, also above the required 0.9, making it supported. Lastly, the Root Mean Square Error of Approximation (RMSEA) stood at 0.058, which was below the 0.08 cut-off value, further supporting the model's fit.

### Hypothesis Results

Table 5 presented the path coefficients, original sample values, p-values, and results of hypothesis testing for the proposed hypotheses. The hypotheses testing results revealed several significant relationships between Knowledge, Skill, Attitude, and Agile Innovation, Diverse Functionality, and Market Insights in local tourism businesses.

Firstly, Attitude predicted a strong and positive relationship with Market Insights ( $B = 0.814$ ), Diverse Functionality ( $B = 0.813$ ), and Agile Innovation ( $B = 0.809$ ). The impact of Attitude on Market Insights was identified as the most significant among all the hypotheses tested.

Knowledge predicted a positive and significant relationship with Market Insights ( $B = 0.144$ ), Agile Innovation ( $B = 0.105$ ), and Diverse Functionality ( $B = 0.084$ ), with the relationship with Market Insights being the strongest among these. The relationship between Knowledge and Agile Innovation was noted as the second most significant overall.

Skill also positively influenced Agile Innovation ( $B = 0.056$ ), Diverse Functionality ( $B = 0.045$ ), and Market Insights ( $B = 0.025$ ). Among these, the relationship between Skill and Market Insights was the least significant.

Table 5. Hypotheses Testing

H	Hypotheses	B	P	Relationship	Decision	Significant
H3c	There is a positive relationship between Attitude and Market Insights in local tourism businesses.	0.814	***	Positive	Supported	Most significant
H3b	There is a positive relationship between Attitude and Diverse Functionality in local tourism businesses.	0.813	***	Positive	Supported	
H3a	There is a positive relationship between Attitude and Agile Innovation in local tourism businesses.	0.809	***	Positive	Supported	
H1c	There is a positive relationship between Knowledge and Market Insights in local tourism businesses.	0.144	***	Positive	Supported	2nd significant
H1a	There is a positive relationship between Knowledge and Agile Innovation in local tourism businesses.	0.105	***	Positive	Supported	
H1b	There is a positive relationship between Knowledge and Diverse Functionality in local tourism businesses.	0.084	***	Positive	Supported	
H2a	There is a positive relationship between Skill and Agile Innovation in local tourism businesses.	0.056	***	Positive	Supported	Least significant
H2b	There is a positive relationship between Skill and Diverse Functionality in local tourism businesses.	0.045	***	Positive	Supported	
H2c	There is a positive relationship between Skill and Market Insights in local tourism businesses.	0.025	***	Positive	Supported	

## Discussions

*The Pivotal Role of Attitude:* Among the factors examined, attitude had the most significant impact on organisational outcomes, particularly on Market Insights, Diverse Functionality, and Agile Innovation. This underscores the importance of cultivating a positive and proactive mindset within teams, as attitude influences how employees approach challenges and opportunities. Leaders in local tourism enterprises should therefore prioritise fostering a supportive and encouraging work environment to maximise innovation and functionality.

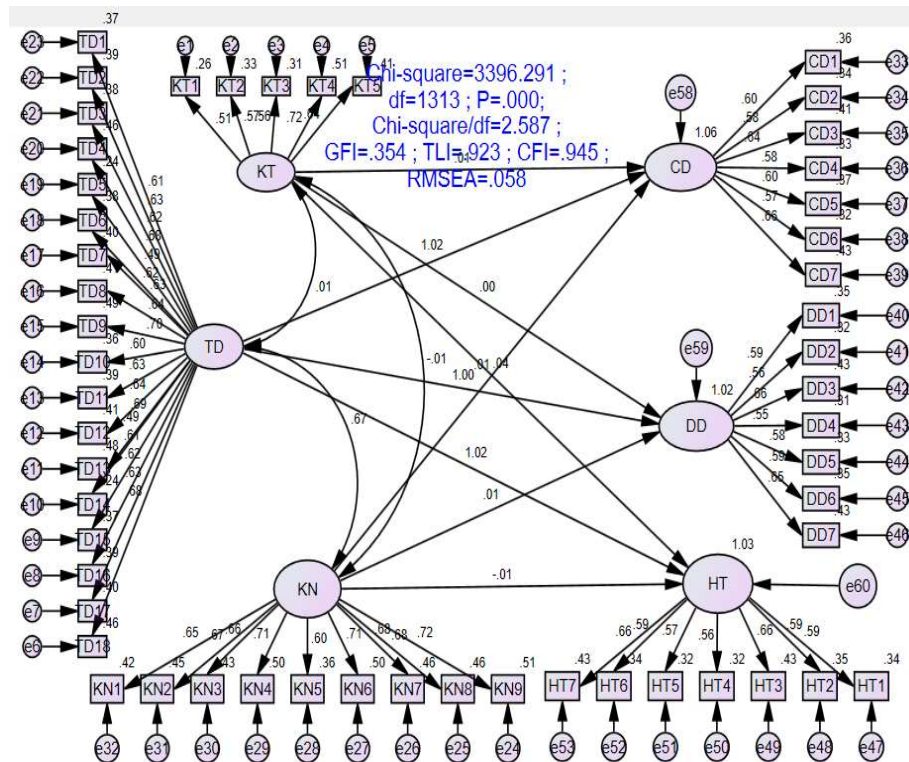


Figure 2. Structural Equation Modeling (SEM) Diagram

*Impact of Knowledge on Organisational Outcomes:* The results indicated that knowledge was crucial in enhancing Market Insights, Agile Innovation, and Diverse Functionality in local tourism businesses. This highlights the importance of knowledge management practices, which allow businesses to adapt quickly to changing market conditions and enhance their competitive edge. The significant positive relationship between knowledge and these outcomes suggests that well-informed employees drive innovation and market adaptability.

*Skill Development as a Catalyst for Innovation:* The findings also revealed that skills have a positive impact on Agile Innovation, Diverse Functionality, and Market Insights, although the effect was less significant compared to knowledge and attitude. This highlights the necessity for continuous skill development within local tourism businesses. While skills were crucial for operational effectiveness, their influence on innovation was more moderate, suggesting that skills need to be complemented by other factors such as knowledge and a positive attitude to fully realise their potential in driving organisational success.

*Strategic Importance of Innovation:* The emphasis on Agile Innovation across the hypotheses indicates that innovation is a key strategic focus for local tourism businesses. Innovation allows these businesses to remain competitive in a rapidly changing environment. The positive relationships between the examined factors (knowledge, skill, attitude) and Agile Innovation suggest that fostering these elements within the organisation could significantly enhance the ability to innovate and adapt to market demands.

*Balancing Knowledge, Skill, and Attitude:* The results highlight the need for a balanced approach that integrates knowledge, skill, and attitude within local tourism businesses. While each of these factors independently contribute to positive organisational outcomes, their combined effect, can lead to more substantial and sustainable improvements in innovation, functionality, and market insights. This suggests that local tourism businesses should not only focus on improving individual aspects but also consider how these factors interact and complement one another to achieve overall success.

### Recommendations

To enhance adaptability, Vietnamese tourism businesses should focus on improving HRQ by promoting continuous learning, specialised training, and soft skill development, while encouraging innovation and the use of advanced technology. Flexible organisational structures are essential to remaining competitive in a dynamic market. Training institutions should align their curricula with industry needs, incorporating current trends, technology, and fostering innovation. Strengthening partnerships with businesses for hands-on experience and improving lecturer quality are key to equipping students with relevant skills. The Ministry should allocate budget resources for tourism HRD, collaborate with the education sector to improve training systems, and encourage international partnerships. Regional training should be balanced, and annual workforce quality assessments should be conducted to update occupational standards. The Government should improve policies, financial support, and legal frameworks, especially for digital technology adoption, training programs, and incentives for skilled workers. Supporting small and medium-sized enterprises and monitoring training quality are vital for strengthening adaptability in Vietnam's domestic tourism industry.

### CONCLUSION

The study concludes that human resources play a critical role in enhancing adaptive resilience within domestic tourism businesses. High-quality human resources, equipped with relevant skills, knowledge, and flexibility, are pivotal in responding to the dynamic changes in the tourism industry. By fostering a workforce that is both resilient and adaptable, businesses can better adjust their marketing strategies to shifting market demands, customer preferences, and external disruptions. The research also highlights the importance of continuous training and development, and effective communication in building a robust adaptive resilience capability. Ultimately, investing in human resources not only strengthens the organisation's adaptability but also contributes to a sustainable competitive advantage in the rapidly evolving domestic tourism sector.

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