



Contents lists available at ScienceDirect

Journal of Business Research



# Entrepreneurial orientation in hotel industry: Multi-group analysis of quality certification☆

Felipe Hernández-Perlines

University of Castilla-La Mancha, Department of Business Administration, Cobertizo de San Pedro Mártir, s/n, 45071 Toledo, Spain

## ARTICLE INFO

### Article history:

Received 1 January 2016

Received in revised form 1 March 2016

Accepted 1 March 2016

Available online xxxx

### Keywords:

Entrepreneurial orientation

Performance

Quality certification

Multi-group analysis

## ABSTRACT

This study assesses whether or not quality certification moderates the way that entrepreneurial orientation affects hotel performance. Data come from responses to a questionnaire that managers of 102 hotels completed and returned. Several relevant methodological contributions by this paper can obtain robust conclusions: 1) the use of a dual methodology for data analysis (i.e., fuzzy-set qualitative comparative analysis and partial least squares structural equation modeling), 2) study invariance through the measurement invariance of composite models, 3) the predictive validity of PLS Path models through holdout samples and 4) application of the causal asymmetry in the fs/QCA. This methodological complexity allows us to state rigorously that entrepreneurial orientation positively affects performance of the hotels and that quality certification has a moderating effect: in certified hotels, entrepreneurial orientation has a greater effect on performance than in non-certified hotels.

© 2016 Elsevier Inc. All rights reserved.

## 1. Introduction

Greater competition, market globalization, and the increasingly important role of technology in business mean that entrepreneurial orientation is becoming a need for most firms (Tajeddini & Trueman, 2008). This situation requires research to identify how to 1) take advantage of new opportunities, 2) develop new products/services and enter new markets (Berthon, Mac Hulbert, & Pitt, 2004), 3) develop proactive behaviors (Kreiser, Marino, Kuratko, & Weaver, 2013), and 4) take greater risks (Ahimbisibwe & Abaho, 2013). Accordingly, many companies are making entrepreneurial orientation a central part of their search for competitiveness.

This paper explores the link between entrepreneurial orientation and corporate entrepreneurship by defining an entrepreneurial firm as a firm that “engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with ‘proactive’ innovations, beating competitors to the punch” (Miller, 1983, p. 771). In this study, entrepreneurial orientation is a concept with three main dimensions: risk-taking, proactiveness, and innovativeness. Accordingly, entrepreneurial orientation is a composite mode b. For more information about the composite of entrepreneurial orientation, see Hansen, Deitz, Tokman, Marino, and Weaver (2011).

The literature contains numerous recent studies on entrepreneurial orientation and its potential effects on business performance (Basso, Fayolle, & Bouchard, 2009; Covin & Miller, 2014; Rauch, Wiklund,

Lumpkin, & Frese, 2009; Wales, Monsen, & McKelvie, 2011). However, the literature on entrepreneurial orientation focuses mainly on the industrial sector; studies on entrepreneurial orientation in the hotel sector are scarce (Tajeddini, 2010).

Although the literature discusses quality certification (Alonso-Almeida, Rodríguez-Antón, & Rubio-Andrada, 2012; Claver-Cortés, Pereira-Moliner, José Tarí, & Molina-Azorín, 2008; Tarí, Claver-Cortés, Pereira-Moliner, & Molina-Azorín, 2010), the present study examines quality certification as a dummy variable (i.e., whether a hotel has quality certification). Today, the hotel sector is subject to strong competitive pressures, which forces hotel managers to seek new ways to generate profits. As both entrepreneurial orientation and quality certification positively affect performance, this study explores the effect of entrepreneurial orientation on performance in the hotel sector by assessing whether a hotel has some type of quality certification. Accordingly, the study employs multi-group analysis, using quality certification as the moderating variable.

Two data analysis methods (i.e., fuzzy-set qualitative comparative analysis and partial least squares structural equations modeling) test the hypotheses in the model. The fsQCA 2.5 program and SmartPLS 3.2.3 provide the tools for the fsQCA and PLS-SEM analysis, respectively. Data come from an email questionnaire that 102 hotel managers completed and returned. For the PLS-SEM analysis, the data from 102 hotels form the sample. The fsQCA method uses 25 randomly selected cases from the full sample. The MICOM (measurement invariance of composite models) procedure provides the method for studying the invariance prior to the multi-group analysis.

Section 2 analyzes the main theoretical aspects of entrepreneurial orientation and presents the model. Section 3 explains the research

☆ The author thanks Alfonso Vargas, University of Huelva, and Joan Ramón Sanchis, University of Valencia, for their careful reading and suggestions.

E-mail address: Felipe.HP@uclm.es.

**Table 1**  
Response data.

Hotel rating		Belonging to a chain	
2 stars	20.94%	Chain	45.6%
3 stars	34.88%	Not chain	54.4%
4 stars	9.30%		
5 stars	34.88%		
Hotel Age		Hotel size	
>25 years old	25.58%	Small	39.51%
10–25 years old	30.23%	Medium	44.21%
<10 years old	44.19%	Large	16.28%
Quality certification		Location	
Yes	48.83%	Urban	97.67%
No	51.17%	Rural	2.33%
Age of person surveyed		Position of the person surveyed	
<25 years old	26	Hotel manager/assistant manager	100%
>25 years old	74		

methodology, emphasizing the analysis methods. Section 4 sets forth the results of the analysis. Finally, Section 5 provides the conclusions, the primary implications for future research, and the limitations of the study.

## 2. Theoretical framework and hypotheses

### 2.1. Entrepreneurial orientation

Research on entrepreneurial orientation has a rich tradition. Many scholars acknowledge the importance of entrepreneurial orientation in firms (Burgelman, 1983; Dess et al., 2003; Hult, Snow, & Kandemir, 2003; Miller & Friesen, 1983; Zahra, 1986). The concept of entrepreneurial orientation explains the mindset of firms that pursue new ventures (Lumpkin & Dess, 2001). Specifically, Miller (1983, p.771) states that an entrepreneurial firm is one that “engages in product market innovation, undertakes somewhat risky ventures and is first to come up with ‘proactive’ innovations, beating competitors to the punch.” Accordingly, three main dimensions define entrepreneurial orientation: risk-taking, proactiveness, and innovativeness.

Risk-taking involves implementing bold actions that require the investment of considerable resources yet provide no certainty about obtaining profits (Lumpkin & Dess, 1996). Proactiveness refers to the pursuit of the pioneer’s advantage by anticipating consumers’ wishes and future market needs and by capitalizing on emerging business opportunities (Covin & Slevin, 1989; Lumpkin & Dess, 1996). Finally, innovativeness is the tendency to support new ideas, experiment, and use creative processes (Miller & Friesen, 1983).

Entrepreneurial orientation refers to a firm’s ability to continually renew, innovate, and constructively take risks in its markets and areas of operation (Miller, 1983; Naman & Slevin, 1993) and to channel creative innovations into ventures that have value (Wood, Gadd & Falkenburg, 2004). Entrepreneurial orientation involves aspects of entry to new markets, especially in terms of how firms undertake new entries (Lumpkin & Dess, 1996). Entrepreneurial orientation also refers to combining existing resources in new ways to develop and commercialize new products, move into new markets, and/or service new customers (Hitt, Ireland, Camp, & Sexton, 2001). The traditional concept of entrepreneurial orientation is a one-time act that creates a new product or service or even an entirely new business. Such an act challenges or creatively destroys existing products, services, and market relationships (Bygrave & Hofer, 1991; Schumpeter, 1934). Today, however, scholars are more likely to view entrepreneurship as a process with roots in an organization’s culture than as a one-off event (Hult et al., 2003) that creates value by bringing together a unique package of resources to exploit an opportunity (Stevenson, Roberts, Grousbeck, & Tajeddini, 2010). This process itself includes the activities necessary to identify an opportunity, define a business concept, assess which

resources are necessary, acquire these resources, and manage and harvest the venture (Morris, Schindehutte & LaForge, 2001).

Entrepreneurial orientation is thus a critical organizational process that contributes to firm survival and performance (Barringer & Bluedorn, 1999; Hitt et al., 2001; McDougall & Oviatt, 2000; Miller, 1983). Entrepreneurial orientation has three dimensions, so a higher-order composite is necessary to measure firm-level entrepreneurship (Covin & Wales, 2012; Rauch et al., 2009) as a one-dimensional phenomenon. As per Lumpkin and Dess (1996) however, this study presents entrepreneurial orientation as a multidimensional phenomenon in which dimensions (risk-taking, proactiveness, and innovativeness) represent independent predictors and may occur in different combinations. In this study, entrepreneurial orientation is an essential organizational process (Hult et al., 2003) that helps reestablish business performance (Miller, 1983). In other words, entrepreneurial orientation captures entrepreneurial firm behavior, and the importance of the concept lies in its relationship with firm performance. Accordingly, the study assesses whether entrepreneurial orientation positively affects hotel performance.

### H1. Entrepreneurial orientation positively affects hotel performance.

Although numerous studies examine this relationship (Basso et al., 2009; Covin & Miller, 2014; Rauch et al., 2009; Wales et al., 2011), the empirical evidence is unclear as to whether the relationship between entrepreneurial orientation and firm performance is negative, positive, or curvilinear. For a literature review, see Rauch et al. (2009).

Because of inconsistencies in the direct relationship, the literature contains calls from scholars to introduce other external and internal elements. Thus, studies examine the effect of instability of the environment (Francis & Collins-Dodd, 2000; Wood & Robertson, 1997), market and industry effects (Lohrke, Kreiser, & Weaver, 2006), technology effects (Knight, 2000), hostile environments (Zahra & Garvis, 2000), internal and external elements (Balabanis & Katsikea, 2004), dynamism of the environment (Kuivalainen, Puimalainen, Sintonen, & Kyläheiko, 2010), business abilities (Ahimbisibwe & Abaho, 2013), and environmental, cultural, and institutional contexts (Covin & Miller, 2014; Kiss, Danis, & Cavusgil, 2012; Welter, 2011). This paper addresses the following research question: Does quality certification have a moderating effect on the influence of entrepreneurial orientation on firm performance? The search for an answer to this question represents a novel contribution to the literature.

### 2.2. Quality certification in hotel establishments

The last few years provide evidence of the hotel industry’s recent strong growth. The characteristics of this growth include changes in demand (O’Connor & Frew, 2002), new profiles of tourists (Kim, Lehto, & Morrison, 2007), more aggressive competition (Briggs, Sutherland, & Drummond, 2007), and the adoption of new technologies (Garau Vadel & Orfila-Sintes, 2007). Hotel companies must therefore seek new ways to compete (Gray, Matear, & Matheson, 2000). This situation

**Table 2**  
Fieldwork technical datasheet.

Sample size	3,900
Application	Hotels 3–5 stars included in the Official Guide Hotels Turespaña
Responses	102
Sampling procedure	Simple random
Confidence level	95%, $p = p = 50\%$ , $\alpha = 0.05$
Response	5.17%
Sampling error	9.58%
Date of fieldwork	January to June 2014

Download English Version:

<https://daneshyari.com/en/article/5109927>

Download Persian Version:

<https://daneshyari.com/article/5109927>

[Daneshyari.com](https://daneshyari.com)