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Journal of Hotel and Business Management

Research Article

Moderating Effect of Industry Forces on Entrepreneurial Orientation of Small Hotels Business Performance in Ghana

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Abstract

The study examined the moderating effect of industry forces on entrepreneurial orientation and its impact on business performance of small size hotels. It adopted the quantitative research approach and a questionnaire survey technique was used to collect the data from small size hotels. The conceptual model was then tested with a total of 396 completed questionnaires and analyzed through a partial least square analysis using structural equation modeling. The path analysis results showed that entrepreneurial orientation has a significant and positive correlation with the business performance of small size hotels. Further, when the moderations were tested, it was observed that the direct path relationship of both industry forces and business performance and firms' resources and business performance were all positive and significant. The study introduced some novelty aspects such as the substitution of construct using industry forces as moderation in the theoretical framework to enhance entrepreneurial orientation to impact on business performance. The study recommends that small hotels strategically position themselves to improve their business performance in the midst of industry forces.

Keywords: Entrepreneurial Orientation; Industry Forces; Business Performance; Small Hotels.

Introduction

Understanding sources of gaining competitive advantage for firms has become a major area of research in the field of strategic management as most firms obtain advantages by executing strategies that exploit their internal strengths and naturalizes external threat. The ability of the hotel or entrepreneur to utilize resources contributes to its performance and sustainability. To tackle the dynamic and competitive hotel environment, businesses constantly need to transform entrepreneurial orientation (EO) into strategic activities to achieve superior business performance on the integration of their resources. An entrepreneurial firm is one that advances new ideas, handles to some degree hazardous ventures and is first to consider proactive degrees of progress, surpassing contenders. Successful amalgamation of EO into a hotel's behaviour is vital to improve the hotel's ability to grow and create wealth. Hotel managers increasingly perceive the importance of innovation, risk-taking, competitive aggressiveness and proactive search for an opportunity as prime drivers of increased business performance and value creation [1].

Entrepreneurial orientation is a multidimensional measure of firm-level entrepreneurship, comprised of innovativeness, proactiveness, competitive aggressiveness and risk-taking. Innovative strategies suggest the number of new products/services developed or new markets entered by a firm. Within firms, innovative thinking can result in two types: slight improvements to the existing products to increase efficiency or profitability, and the entirely new creation of products, processes or services resulting in new market creation. Thus, innovative practices position the hotel to take advantage of existing opportunities in the market environment better. In fact, some scholars are of the view that the level of innovativeness exhibited by the firm is the most important key predictor of organizational growth [2].

Pro activeness refers to a firm's intensity in identifying and capitalizing on available market asymmetries. For instance, when the primary emphasis was placed on the initiative taken by firms in capturing opportunity, research has focused on the response speed of companies to the emergence of available opportunities in their environment. For instance, researchers have discussed

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Received date: June 19, 2021; **Accepted date:** October 18, 2021; **Published date:** October 28, 2021

Citation: Spio-Kwofie A, Hagan E, Neequaye K (2021) Moderating Effect of Industry Forces on Entrepreneurial Orientation of Small Hotels Business Performance in Ghana. J Hotel Bus Manage 10:418.

the importance of introducing new products/technologies ahead of competitors, rather than following other firms or simply responding to competitive threats in the environment. In this respect, proactive organizations seek to seize opportunities ahead of their competitors. Several studies have acknowledged the importance of capturing first-mover advantage, often labeling this as the key criterion of pro activeness. These advantages are achieved by firms who are able to quickly and efficiently exploit market asymmetries first in a market, thus resulting in the establishment of brand recognition prior to the entrance of other competitors [3].

Risk-taking is the propensity to accept risk, which is the third component of the entrepreneurial orientation. The influence of risk-taking behavior on the actions of entrepreneurs was first proposed when the idea of entrepreneurship was originally generated. For instance, on a different study, examined risk-taking and concluded it is the aspect that differentiated entrepreneurs. The risk at this time came as a result of the entrepreneur's choice to be self-employed rather than hired by an organization. While the types of risk taken by entrepreneurs have broadened over time, as the term entrepreneurship has come to represent more than only self-employed individuals, the risk-taking behavior of entrepreneurs continued to be a key element in distinguishing them from other individuals or organizations. In other aspect pertaining to risk-taking, it included opportunity capitalization, resource commitments, the potential for returns, and uncertainty, the degree to which managers are willing to make large and risky resource commitments [4].

Competitive Aggressiveness is the degree to which a hotel challenges new market entry and outperform rival hotels in their particular market segment. It also tells how owner-managers of small size hotels perceive available opportunities for the hotel in a competitive market. Although several literatures have suggested competitive aggressiveness is closely related and partially explained by the pro activeness measure of EO, competitive aggressiveness was included as a part of EO, and as such, any firm challenging the entry of other firms into their market would be considered entrepreneurial. Hotels that engage in such a competitive aggressiveness tend to have higher performance and acquire more competitive information about other firms earlier and this leads to better new service performance [5].

In every industry, competitive advantage is described through five force factors: the threat of new entrants, the threat of replacing products, the suppliers' power of bargaining, the customers' power of bargaining and the rivalry among the firms of the same sector. Industry forces (IF) are the strength of each of the competitive forces and functions underlining the economic and technical characteristics of an industry. The industry forces approach has an assumption that firms (hotels) within an industry possess identified or similar resources. As a result, a firm's success as in the case of hotels depends on how to react to market signals and accurately predict the evolution of the industry structure. In any industry, for example, hotels, the rules of competition is embodied in five competitive forces; entry of new competitors (entry of new hotel /entrants), the threat of substitutes (threat of new hotel products/service), the bargaining power of buyers, (hotel guest or customer) the bargaining power of suppliers (employees or suppliers of goods and services) and the rivalry among existing firms (competition among hotels). From the five force factors, the threat of substitutes and bargaining power of suppliers did not seem to have a major influence on competitive strategy and this seems to be so in the case of the hotel industry. Existing literature regarding the bargaining power of suppliers in the hotel industry appears to be low because of the large number of suppliers. This indicates that no single supplier is dominating the commercial hotel market. There is also the less threat of substitutes in the hotel industry and this occurs when hotels offer similar or mass product/service. Since the bargaining power of suppliers and the threat of substitutes tend to have little influence on implementing resource competitive strategies, the hotel business is mostly related to the customers/buyers, rivals among existing firms, and new hotel entrants. Therefore, this study emphasized only on three force factors - rivalry among existing hotel firms, bargaining power of buyers/customers, and threats of new hotel entrants.

Fear of new entrants is the entry of new businesses to the hotel industry and the threats posed by them. As these threaten the market share of the current businesses in the hotel industry and increase the main generating capacity, creating excess supply, they might lead to remarkable reductions of the prices and consequently a decrease in the incomes of competitive businesses. Since the building, which is the basic requirement for hotel business involves vast amounts of investment and these investments are not returned in short times, it can be said that the hotel industry features high levels of entry obstacles. On the other hand, from economical to luxurious, attempts at differentiating the factors such as service pricing, decoration, architecture, location, management and employees in the hotel industry can be observed. The increasing number of hotels limits the available locations appropriate for the target market. Government policies might be facilitative in locations considered for hotel construction or they might make it more difficult. Consequently, the hotel industry features high levels of entry obstacles for newcomers due to a combination of different factors such as scale economies, vast requirements of capital for investment, supply and appropriate locations experience. This notwithstanding, some entrepreneurs believe it is a sure avenue to invest. Since people still travel, go on holidays and business trips, there is the likelihood of return on investment [6].

Bargaining power of buyer/customer means buyers/customers that demand the goods and services produced in the hotel industry. Their bargaining power leads to lowering the prices, or of demanding higher quality or more service. The customers' knowledge, the customers' ability to perform backward integration, the cost of switching suppliers to the customer and the concentration of the customer in the total endorsement are the fundamental determining factors to customers' bargaining power. Customers are the foremost force that directs a change in the hotel industry. Studies conducted in the field show that customers increasingly purchase more, demand lower prices and acquire larger bargaining power as attested to by. For example, as tour operators providing service with low-profit margins because of the competition, corporate guests would have a higher price

sensitivity that means they hold a bargaining power. Again, a frequent guest patronizing your facility as well as a chance guest to your hotel also bargains to his/her advantage. This gives the customer /buyer of the hotel's facilities some level of bargaining power [7].

Rivalry among the existing firms is the entry of alternative services such as the construction of new hotels in increasing numbers, time-sharing system and renting houses increases the competition. Competition in the hotel industry is determined mostly by price, the similarity of segments and location. When considered all together, competition tends to be intense in the hotel industry. As there are not sufficient locations for hotels, they tend to be located close to each other. Though it can be claimed that goods and services differ from economical hotels to the luxurious ones, it can be hard convincing people that they really do since basic services/product provided are similar [8].

Miller introduced the EO construct and thereafter it was further developed by into a commonly accepted conceptualization of what it means for an organization to be 'entrepreneurial'. Many authors have adopted EO definitions similar to that of Covin and Slaving and Miller. However, others have made changes that alter the meaning of the construct. For instance, studies have often differed in their methods of measuring EO, with some probing the overall EO in relation to performance while others examine the individual dimensions of EO and performance. The most common deviations from Miller's conceptualization are the use of more or fewer dimensions or the application of the EO construct in a different context. In contrast to another construct, extended the EO construct by including two dimensions. The EO construct consists therefore of the dimension's innovativeness, risk taking, pro activeness, competitive aggressiveness, and autonomy. Furthermore, the influence of EO on performance is also context specific as focused on the dimensions by Lumplin and Dess who have shown that the EO dimensions show high correlations and each having their own influence on performance. Thus, these dimensions may vary independently of each other and occur in different combinations [9].

In addition, the dominant school of thought in strategic management has been an industrial organization where the relationship between the firm and the industry is essential. A principal model of this school has been Porter's "five competitive forces" for analyzing industry structures. In this model, a firm's profitability is influenced by its relative size compared to its industry rivals, suppliers and customers. Accordingly, cited Porter's 1985 idea that industry forces in which the firm operates require that the firm adapts to these requirements in order to survive in the long run. In addition, the firms that fail to adapt to these requirements will be forced to exit from the industry/market.

Practically, the external factors that enhance the business performance of small hotels (SH) in Ghana should be explored. In times past, people sought the services of hotels without prior information as long as it met their cleanliness standard. People still travel for business, pleasure, or academic purposes, and therefore expect their money's worth from the services obtained from the hotel. Therefore, SH should be aware of the changes in all external factors in developing competitive strategies for hotels. Integrating all the possibilities to make the business sustainable is very important. When SH identify their strengths and opportunities, they will be able to niche the marketing strategy into the right market segmentation. That is, hotels have to be innovative with innovations of product, services, and processes, be more proactive compared to competitors in all aspects and be risk-oriented in their dealings. Based on the above premise, the study examined the moderating effect of industry forces on entrepreneurial orientation and its impact on business performance of small hotels [10].

Conceptual Framework

Given that the primary goal of entrepreneurial hotels is the effective utilization of their resources, external factors such as industry forces too interact with EO to influence higher performance. Accordingly, it appears evident that the EO - hotel business performance relationship may be affected by various environmental factors which are the industry forces. The moderating effect of industry forces on entrepreneurial orientation is thus illustrated in Figure 1.

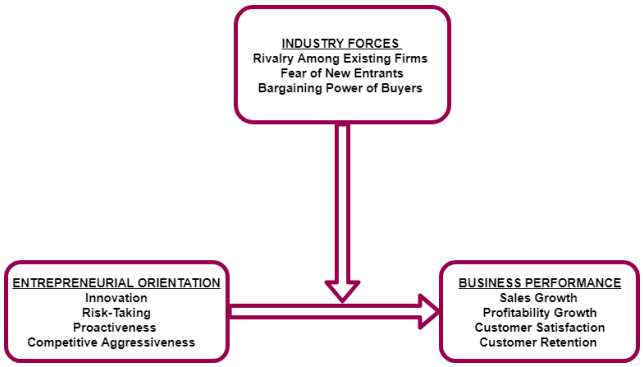

Figure1: Moderating effect of industry forces on entrepreneurial orientation

Source: Authors' construct

Entrepreneurial Orientation – innovation, risk-taking, proactiveness, competitive aggressiveness

Business Performance – sales growth, profitability growth, customer satisfaction, customer retention

Industry Forces – rivalry among existing firms, fear of new entrant, bargaining power of customers

Components of Industry Forces and Hypothesis Development

Quite a number of studies have surveyed the central role of a business' position compared to its competitors in an industry in terms of business performance with a focus on the business' external conditions such as the bargaining power of buyers, the threat of new entrants, and intensity of rivalry among existing firms. Researchers have found a significant effect concerning the relationship between strategies, the power of suppliers and profitability and conclude that market performance is the key to profitability and other industry effects have a direct effect on profitability through market performance. According to, a firm's

performance and strategies of individual businesses are more important than industry effect. To further explain these, three of Porters industry forces - fear of a new entrant, the bargaining power of buyers/customer and rivalry among industry which is significant in the hotel industry is elaborated. Globally, the hotel industry is characterized by high capital costs and a high proportion of fixed costs to total costs and there are considerable economies of scale in the local hotel industry. These high capital costs require that from the onset the hotel venture must be managed to achieve the most cost-effective use of resources applied to construction, furnishing, and equipment, pre-operational expenses and finance. Hotels must also aim to fill their rooms as profitably as possible, both through room occupancy levels and the relative tariffs. According to, most firms' obtain advantages by using strategies that exploit their internal strengths, through responding to environmental opportunities, while naturalizing external threats and avoiding internal weaknesses.

Bargaining power of buyers of goods and services from a hotel may be powerful if they are more concentrated than the players in the industry and are able to force down prices as well as reduce the industry's margin. If the products and services purchased by buyers lack differentiation or switching costs, they can easily find acceptable alternative sources of supply. Buyers such as hotel guests or customers can somehow pose a threat of a backward adjustment as a large group of buyers can procure from another hotel source. If the hotel industry's input is not crucial to the success of the buyer's product and service, price sensitivity will increase. Buyers have the incentive to be powerful if purchases from the hotel represent a significant proportion of their total costs. In that, the price goes with certain innovative product/service that the hotel offers [11-15].

Rivalry among firms is dependent on the number and size of direct competitors as numerous and/or equally balanced competitors may lead to intense competition. The rivalry for market share becomes intense when product differentiation and switching costs are low. Rivalry becomes more intense in fixed costs particularly in high preservation/carrying cost industries such as the hotel industry in most metropolitan cities. There are strong pressures to sell capacity by price-cutting except for weekends and holiday seasons. Capacity augmentation exists as large additions to capacity can disrupt the demand and supply balance and lead to intense rivalry. For these reasons, the study hypothesized that [16-20].

There is a moderating effect of industry forces on entrepreneurial orientation and business performance relationship [21-25].

Methodology

According to the 2019 statistics of Ghana Tourism Authority (GTA), hotel facilities in Ghana is made up of 740 star-rated, 145 guest houses, 2685 budget hotels and 7 apartments. Statistically, the 3577 licensed hotel establishments in Ghana are categorized into star-rated, guesthouses, budget and apartment accommodation (Ghana Tourism Authority, 2019) with small size hotels accounting for the largest population. In the context of this study, only small size hotels in Ghana, which includes 2-star hotels (235), 1-star hotels (448), budget hotels (2685), guest houses (145) were considered. The population in this study comprised 3513 entrepreneurs operating small hotels across the country. The systematic random sampling technique was used to select 400 hotels, made up of 85 2-star hotels, 125 1-star hotels, 165 budget hotels, and 25 guesthouses across the country was used for the study. The sample size was determined by using the Krejcie and Morgan table for determining size for a definite population. With a population of 3513, the sample fell within the range of 346-350. However, 64 were added to reach a round figure of 400 to make up for non-response. 396 questionnaires were returned, representing a response rate of 99%, which was used for analysis [26-30].

Collection of data plays a significant role when conducting research since it offers a clear understanding of the hypothetical framework used in the study. It is therefore important that the selection process as well as whom to obtain the data from is done with all aptnesses and also with sound inference. For this reason, the study employed the quantitative approach in collecting the data. Thus, the primary data for this study was collected from the selected small size hotels with the aid of a questionnaire designed to solicit responses from the respondents. Initially contact was made with GTA for the list of hotels. Mailed letters (informed consent) were sent to the selected hotels using the GTA's list of hotels and addresses and followed up with telephone calls. Based on the response the questionnaires were emailed to the entrepreneurs / managers / owner-managers of the hotels. To buttress the questionnaire, follow up telephone and face to face interviews were conducted depending on the nearness of the hotel. The interviews were thus conducted for a selected few out of the sampled population to augment the information obtained from the respondents [31-35].

In order to obtain the responses suitable for this study, the best approach was the use of the closed-ended type of questionnaire. This approach predetermined the standard answers expected for the study and therefore guided the respondents from the possibility of winding round a specific answer. However, the critical issue in the questionnaire design was to avoid questions that attract subjective answers to ensure the reliability of research outcomes and results as all asserted that closed-ended questionnaire enables respondents to give straightforward answers to save time, and large volumes of questionnaires answered instead of allowing individual opinions to complicate the data and consume time. Those questions that were demanding some expected answers, such as agree and disagree, a five-point Likert scale designed questions created such rooms for the data collection. The Likert scale method enables quantitative value to be ascribed to qualitative data to make it amenable to statistical analysis. A set of dichotomous questions was also added to augment the five-point Likert scale. In all, the questions were categorized into sections such as the demographic information of the respondents/hotel, entrepreneurial orientation, industry forces, and business performance of small size hotels [36-40].

Prior to the multivariate statistics to test the research hypothesis, a preliminary analysis was conducted. This involved tabulation

of demographic information to enable comparison among the various demographic groups. Next, the appropriateness of data for factor analysis was conducted before factor analysis. The reliability, normality and multicollinearity tests were further conducted through the use of SPSS before testing the hypothesis. The descriptive statistical analysis helps to understand the data and is very important as it helps to make predictions. On the other hand, statistics are all about drawing conclusions from data, which is necessary for the initial step. Further, a structural equation modeling (SEM) was used to test the hypothesized relationships through the use of the partial least square (PLS) software. The SEM is a statistical technique for simultaneously testing and estimating causal relationships among multiple independent and dependent constructs. This study used Partial Least Squares-Structural Equation Modeling (PLS-SEM) to analyze the data [41-45].

Results

Preliminary Analysis

The purposes of preliminary data analysis were to prepare the data for further analysis and to describe the key features of the data in a summarized form. Thus, it helped to identify the entrepreneurial orientation indicators that promote business performance with industry forces, serving as moderating effect. This part of the preliminary analysis is made up of the KMO, Bartlett's test of Sphericity and the EFA.

Kaiser-Meyer-Olkin (KMO) and Bartlett's Test

In order to determine whether the data used in the study is significantly adequate for structure detection (structure equation modeling), the Kaiser-Meiyer-Oklin (KMO) and Bartlett's test of Sphericity were employed. Per the results from Table 1, the value of the test statistic for KMO with respect to the constructs used in the study was obtained at 0.880. This value is very high in other words closer to 1 and therefore gives the indication that a substantial proportion of variance has been explained by the factors being discussed (88.0%). This test (Bartlett's test) from Table 1 provides a p-value which is less than the significance level $p < 0.001$. Hence, this means that the variables (observed variables) within the correlation matrix of a construct are related and therefore suitable for structure detection. In summary, the results of Kaiser-Meiyer-Oklin (KMO) and Bartlett's test of Sphericity reveal that data with respect to the measurement items used in the study are efficiently adequate for structure detection. The findings from these test (Kaiser-Meiyer-Oklin (KMO) and Bartlett's test of Sphericity) using the SPSS statistical software is presented in

Table1: KMO and Bartlett's test (IF)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.880
Bartlett's Test of Sphericity	Approx. Chi-square	6959.215
	Df	153
	Sig.	0.000

Exploratory Factor Analysis

Subsequently, exploratory factor analysis (EFA) to investigate the dimensions of EO preceded the construction of a structural interactive path analysis to examine the relationships between EO and BP and the moderation effect of IF. The results with respect to a 3-factor solution from Table 2 depicts that all the items of the three factors are highly loaded as theorized.

Table2: Exploratory Factor Analysis (Industry Forces)

Construct	Factors	Factor Loadings	Eigen values	Percentage variance	Cronbach's alpha
Business Performance (BP)	BP1	0.880	3.659	20.328	0.930
	BP2	0.879			
	BP3	0.826			
	BP4	0.779			
	BP5	0.867			
	BP6	0.854			
Industry Forces (IF)	IF1	0.768	2.410	13.391	0.872
	IF2	0.766			
	IF3	0.772			
	IF4	0.808			
	IF5	0.807			
	IF6	0.601			
Entrepreneurial Orientation (EO)	EO1	0.800	6.951	38.619	0.949
	EO2	0.865			
	EO3	0.929			
	EO4	0.871			
	EO5	0.868			
	EO6	0.928			

Measurement Model

The first important step in SEM is to specify the two components: Measurement Model and Structural Model. The measurement model represents the theory that specifies how measured variables come together to represent the theory, whiles the structural model represents the theory that shows how constructs are related to other constructs. Assessing the measurement model is also called confirmatory factor analysis (CFA). The CFA helps the researcher to compare the theoretical

measurement against the reality model. The measurement model assessment includes the discussions of reliability analysis, and construct level correlation analysis and the AVE. cited in observes that content validity is enhanced if steps are taken to ensure that the domain of the construct is covered. Table 3 shows the CFA of the factor loadings.

Table3: Confirmatory Factor Analysis

	BP	EO	IF
BP1	0.898		
BP2	0.887		
BP3	0.833		
BP4	0.792		
BP5	0.864		
BP6	0.889		
EO1		0.844	
EO2		0.878	
EO3		0.947	
EO4		0.887	
EO5		0.878	
EO6		0.945	
IF1			0.730
IF2			0.749
IF3			0.836
IF4			0.861
IF5			0.789
IF6			0.718

Average Variance Extracted, Composite Reliability for Industry Forces

The internal reliability was evaluated considering Cronbach's alpha (α) and composite reliability where the level of 0.70 is an indicator of acceptable internal consistency. The AVE was 0.742 for business performance and 0.805 for entrepreneurial orientation. Therefore, the conditions for convergent validity are satisfied in this study. Considering the discriminant validity measures from Table 4, the composite reliability exceeded the . 70 benchmark for the constructs. So, high levels of internal consistency reliability have been demonstrated among all six reflective latent variables. For all factors, the AVE was above 0.50. According to, the square root of AVE in each latent variable can be used to establish discriminant validity if this value is larger than other correlation values among the latent variables. Table 4 indicates that construct reliability and validity is well established.

Table4: Measurement of the construct reliability and AVE

	Cronbach's Alpha	Composite Reliability	AVE
BP	0.930	0.945	0.742
EO	0.951	0.961	0.805
IF	0.872	0.904	0.612

The measurement model comprised a test of the indicator reliability, internal consistency and discriminant validity using recommended guidelines. The results in Table 4 show that both Cronbach's alpha and composite reliability exceeded the recommended threshold of 0.70, and the AVE for the constructs (EO, IF and BP) are well above the minimum threshold of 0.50. Similarly, in Table 5, the discriminant validity of all of the square roots of AVE are more than the correlation of that respective constructs and all exceeded the minimum threshold of 0.50.

Table5: Discriminant validity of the constructs

Fornell-Larcker Criterion			
	BP	EO	IF
BP	0.861		
EO	0.212	0.897	
IF	0.325	0.390	0.782

Model Fit Indices for Industry Forces and Moderating Effect

Model fit is related to data, model, and estimation methodology and a plethora of fit indices have been developed over the years. According to, fit indices (absolute, parsimonious, and relative) should be considered when evaluating the fit of a structural equation model. The chi-square, NFI, and SRMR are indicators of absolute fit. For the goodness-of-fit indices, the following results in Table 6 show that the overall fit of the partial least square -PLS path model has reasonable representation of the structure underlying the empirical data.

Table6: Goodness-of-fit indices

SRMR	d_ULS	Chi-Square	NFI
0.059	0.601	1,765.721	0.751

The structural model is used to measure the causal relationships among the constructs. The structural model was evaluated by the path coefficients, coefficient of determination (R2), effect size (f2) and Q-squared (Q2). The statistical significance of each

structural path is evaluated through the bootstrap method, using 1000 resamples drawn with replacement. For the direct effect model on BP, the results presented in Table 7, shows that EO (β = 0.120, t= 2.366, p < 0.05) and IF (β = 0.276, t= 5.610, p < 0.01) have a positive and significant effect on BP. Also, for the R2, it was found that EO and IF together explained 11.4% (0.114) of the variance in BP. Also, the effect size result indicates that IF has a small effect (0.079) on BP, whiles that of EO is weak. Besides, the researcher tested the model's predictive validity by using Q-squared coefficients (Q2) which were provided only for endogenous latent variables. As a rule of thumb, Q2 values larger than zero for a particular endogenous construct indicate that the path model's predictive accuracy is acceptable for this particular construct. The Q2 value was 0.083 for BP which is greater than zero and therefore has a satisfactory predictive relevance.

In testing the moderating effect of IF, an interaction model between EO and IF on the criterion variable (BP) was initiated. The results in Table 7 and Figure 1, indicate that EO_X_IF -> BP (β = -0.107, t= 0.890, p > 0.10) has a weak and insignificant effect on BP.

Table7: Results of PLS bootstrap output and interaction effect on business performance

Path	Path coefficient	Standard error	T-values	P Values
EO -> BP	0.120	0.051	2.366	0.018**
IF -> BP	0.276	0.049	5.610	0.000***
EO_X_IF -> BP	-0.107	0.120	0.890	0.374

*** P < 0.01, ** P < 0.05

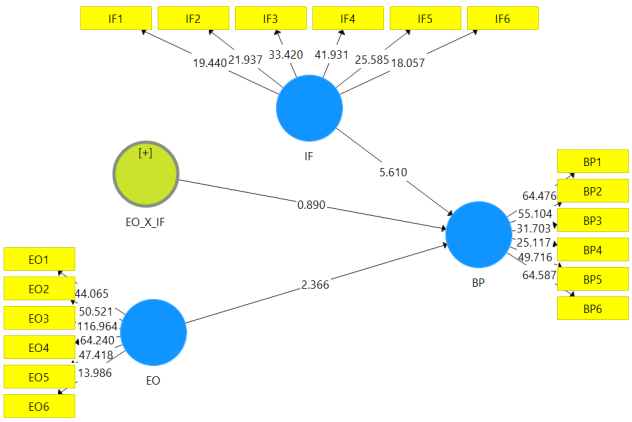

Figure2: Statistical model of a path diagram illustrating the interaction effect on BP

Discussion

The path analysis results showed that entrepreneurial orientation has a significant and positive correlation with the business performance of small size hotels. Further, when the moderations were tested, it was observed that the direct path relationship of both industry forces and business performance and firms' resources and business performance were all positive and significant. Thus, the hypothesis formulated for the study which states that: there is a moderating effect of industry forces on entrepreneurial orientation and business performance relationship is accepted.

This study emphasized on the moderating effect of industry forces and its impact on entrepreneurial orientation for business performance of small hotels. For instance, in the direct effect model, EO has a significant effect on BP which is corroborated by Charles and Gomezelj that entrepreneurial orientation is a multidimensional measure of firm-level entrepreneurship. This then means that SH activities would enhance business performance in a situation where they are able to develop a higher entrepreneurial orientation that will enhance their capabilities such as innovativeness, proactiveness, risk-taking and competitive aggressiveness which facilitate higher achievement of business performance by small size hotels. On the other hand, IF positively and significantly impacts small hotels' BP. This indicates that SH increase their business performance by designing strategies to counter the competitive forces emanating from the hotels. Similarly, the interaction effect was positive and significant implying that when entrepreneurial orientation and industry forces interact, it exerts greater influence on business performance, indicating a quantum leap in its impact on business performance. Using Porter's idea about industry forces, confirm that firms that adapt to these requirements survive in the long run. In addition, the firms that fail to adapt to these requirements will be forced to exit from the industry/market. This also explains the crucial roles played by entrepreneurial orientation and industry forces in achieving business performance in the operations of small size hotels. In line with this, assert that hotels that use competitive aggressiveness acquire more competitive information about other firms and this leads to better new service performance. That is achieving business performance by small size hotels is contingent on the hotel's ability to develop sufficient entrepreneurial orientation and as well as designing strategies to combat industry forces. In view of the competitive nature and proliferation of the hotel industry especially in Ghana, the SHs design superior strategies to circumvent the presence of industry forces which serve as a hindrance to business performance.

From this, it is assumed that the SHs are always on the lookout for entrepreneurial activities and strategies to combat the competitive nature of the industry forces such as bargaining power of buyers and fear of new entrants at the detriment of their resources. Managers of SHs in Ghana ought to differentiate their products and services that lead to customer retention. This will ensure that quality is sustained, leading to repetitive patronage by customers consequently ensuring sales growth as well as growth in profitability. According to, the level of innovativeness exhibited by firms is the most important key predictor of organizational growth. Small hotels can introduce innovative, promotional and trendy activities that will attract customers. For instance, information obtained from online booking of a guest can be used to personalize the room décor/ settings for a first-time guest. This can go a long way to cause a

satisfied customer to be retained. First impression counts in the hotel business so small hotels must go the extra mile in strategic business innovations, such innovative activities will prevent buyers from bargaining often as this innovativeness differentiates your hotel from competitors. In effect, customers see the innovations of the hotel as a brand, patronize it often, and recommend to friends which eventually contribute to sales and profitability growth.

Most small size hotels perceive the innovative activities as a financial burden on the hotel and therefore are reluctant to venture into risky research and development activities to know customers taste and wants. Small size hotels should not lose of the fact sight that, a specific innovative service, when registered in the minds of customers influences sales growth, and customer retention. As observed by, customers are the prime force that directs a change as well as gain a competitive edge over rivals in the hotel business. Thus, one has no control over when a new hotel enters the hotel industry but every new entrant has its toll on the hotel's sales and profit as the new hotel also gets sales from the same pool of customers. In such situations, it is the innovations and services provided by the hotel that is registered in the minds of customers and cause a repeat business. This is consistent with views of Condorelli, Galeotti, and Skreta, Jogaratnam and Rizea that most firms obtain advantages by implementing strategies that exploit their internal strengths, through responding to environmental opportunities, while naturalizing external threats and avoiding internal weaknesses.

Conclusion

The study concludes that indeed there is a moderating effect of industry forces influencing the entrepreneurial orientation of small size hotels and which also have impact on their business performance. Based on findings from the study, entrepreneurial orientation has a significant and positive correlation with the business performance of small size hotels. Furthermore, it was observed that the direct path relationship of both industry forces and business performance and that of small size hotels' resources and business performance were all positive and significant.

As the dimensions of the entrepreneurial orientation vary in terms of relationships to hotel performance, the impact of one or more variables will, in turn, lead to improved business performance. Innovative business activities such as pick-up service, creativity in the style of services and projecting the hotel online via active website cause customers to repeat business. This is an innovative way of capturing the heart of customers as well as contributes to customer satisfaction. Facilities such as conference rooms, swimming pools, and recreational facilities attract customers to a hotel irrespective of the location and size. The appearance of the hotel, neatness maintained in the premises, and the appearance of the staff count to a great extent to sustain the competing market share. This does not only account for gaining market share, it somehow curtails the strength of customer bargaining power. Necessary steps should be taken by the small hotel owners to regularly check the proper functioning of facilities provided in the rooms. Again, the hotel owners ought to ensure quality services at a reasonable rate as it is one of the ways to attract the customers among the competitors as well as retain them.

The study recommends that small hotels strategically position themselves to improve their business performance in the midst of industry forces. It is important to understand why hotels engage in different business activities with varying degrees of intensity and success. In this light, more communication and dialogue are encouraged with all stakeholder groups (including the employees, customers, marketplace, and owner-managers). The stakeholder relationships are needed to bring external knowledge sources, which may enhance the hotel skills and performance. There is scope in sharing best practices, even with rival firms. It is necessary for the responsible hotels to realize that they need to work in cycle with other hotels in order to achieve higher business performance. The highly acclaimed hotels (for their business practices) should be supported to showcase their best practices. Thus, the Ghana Tourism Authority in collaboration with Ghana Hoteliers Association should encourage inter-hotel collaboration and network across different sectors of the hotel industry.

Small hotels' entrepreneurial orientation and business tenet should be in harmony to embrace good business management practices. There is scope in engaging in business management as it creates shared value to the hotel, to society and to Ghana as a whole. Thus, business activities that lead to sale growth, customer satisfaction among others could be taught as an academic discipline. The education and training in hotel business management can address the following issues such as quality innovation and competitiveness in the service offerings, the caliber of staff to employ and utilizing the internal resources to achieve higher performance. Further, SSH staff, which largely constitute family members be given training and motivated at regular intervals in providing amicable and prompt quality services.

The curriculum developers in Ghana should incorporate more contents on entrepreneurship development to encourage young entrepreneurs, especially in the hotel sector. Identifying variables that influence the business performance will help educators design educational measures which are useful in acquiring entrepreneurial orientation. Making the education of students or aspiring entrepreneurs theoretically sound and empirically grounded would substantially decrease the trial-and-error process of acquiring entrepreneurial experience and instead facilitate the venture. For example, entrepreneurs driven by a willingness to get things done often do not have sufficient time and so evidence from this study suggests that educational programmes should incorporate these elements, i.e. rivalry among hotels and bargaining power of firms in a competitive environment. Consequently, the preparedness of potential aspiring entrepreneurs for real-life challenges may increase and may also hopefully result in an increase in business.

It is noteworthy to establish that this study has its limitations. The framework only focused on the small size hotels in Ghana with limited sample size and thus making a generalization of the findings to cover the other categories of hotel is not possible. In view of these limitations it is suggested that future research direction on this topic could critically examine direct effects of

industry forces on business performance of large (higher star-rated) hotels in Ghana. This research direction is important since it can reveal the extent to which this construct influence business performance thereby providing a pathway for hotels to consider in their effort to attain higher business performance. Future research could also be directed at considering the negative effects of hotel orientation on business performance.

This study contributes to existing knowledge by bringing to fore the debilitating effects of entrepreneurial orientation on business performance. The study introduced some novelty aspects such as the substitution of construct using industry forces as moderation in the theoretical framework to enhance entrepreneurial orientation to impact on business performance. It also generated some ideas that might ignite a debate in the academic circles as to why despite the numerous advantages that are associated with entrepreneurial orientation, some firms choose not to implement it in their establishments.

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