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Value-Driven Operation Strategy and Competitiveness of Hotels in South-East Nigeria

Ifeanyi Darlington Amaechi and Adekemi D. Alagah
Department of Management, Faculty of Management Sciences, University of Port Harcourt

Abstract: *The study examined the relationship between value-driven operation strategy and competitiveness of hotels in South-East Nigeria. The accessible population three hundred and twenty-six (326) owners, managers, and supervisors that consent to participate in the study. A census study was carried out. Structured questionnaire was used. In line with the study objectives, this study uses descriptive statistics analysis and inferential analysis technique. The inferential analysis technique was performed with the help of statistical package of Smart Partial Least Square - Structural Equation Modelling (PLS-SEM) version 4.0. The study findings reveal a relationship between value-driven operation strategy and measures competitiveness. The study concludes that value-driven operation strategy relates with competitiveness of hotels in South-East Nigeria. The study recommends enhancing value-driven operation strategy for effective competitiveness of hotels in South-East Nigeria.*

Keywords: *Value-Driven Operation Strategy, Competitiveness, Quality, Innovativeness, Flexibility.*

INTRODUCTION

The hospitality industry is considered the world's largest industry (Erol et al., 2022). Despite how promising the sector is in South East Nigeria, hotels which is part of Tourism and Hospitality industry is faced with several challenges such as increased operational costs, competitive pressure, a continuously changing regulatory framework, decreasing customer loyalty, new technological innovations, security challenges, Epileptic power supply, heightened inflationary pressure, and rising energy costs(Atere et al., 2023; Izuora et al., 2022; Olusola, 2023; Teck & Karuppiah, 2020), increasingly force the hotel industry to re-think the uprising trends and competitive environment.

Owing to a general improvement in technology (Alkutbi et al., 2019; Khalifa & Mewad, 2017), infrastructure, equipment, economic conditions, and globalisation, the hospitality industry has been facing increasing rivals trends and a competitive environment; the determining or essential aspect that can be evaluated or evaluated in comparison to other hotels has become increasingly complex and depends on the calibre of service or the performance of service of hotels (Khalifa & Fawzy, 2017; Morsy et al., 2016). Thus, quality of service has become the crucial component that might raise clients' satisfaction, loyalty, performance and overall competitiveness of hotels (Khalifa, 2018). An organization's capacity for innovation is thought to be crucial to its success and long-term viability (Mulibana & Rena, 2021). There is a great need to investigate the impact of innovativeness since underperforming businesses have a harder time bringing in new business and risk losing the trust of existing consumers (Alosani et al. 2019). Given the growing dynamic nature of the hospitality industry (Garcı´a-Villaverde et al., 2021), this business environment requires hotels to adapt to changes in a timely fashion and develop management strategies that promote their competitiveness and sustainability (Garcı´a-Villaverde et al., 2021). Thus, the relationships that exist between market dynamism and organisational flexibility could include a key determinant of firm competitiveness.

Several factors have been studied as possible predictors of firm competitiveness. For instance, Bonaventure, Amah and Olori (2017), and Wegwu and Princewill (2022) found that entrepreneurial orientation is a significant predictor of competitiveness. Kalu and Onuoha (2019) identified knowledge management as a determinant of competitiveness of small businesses. From the marketing perspective Igwe, Ebenuwa and Idenedo (2020) concluded that customer involvement practices are essential for firm competitiveness. However, none of these studies considered operations strategies as a possible contributor to competitiveness, hence this study will be bridging the observe gap in study.

STATEMENT OF THE PROBLEM

The problem of deteriorating level of competition of hotels in South East Nigeria calls for serious concern among stakeholders and numerous customers who no longer get the required satisfaction and value for their money. Although there are many operational issues that appear to be hampering the competitiveness of hospitality firms, such as shortages of trained staff and skilled workers, increased operating and overhead costs, security challenges, epileptic power supply, technological challenges like online reservations, and, of course, the most upcoming issue of green hoteling (Teck & Karuppiah, 2020). The industry suffers from insufficient amount of qualified and strained human resources and a high turnover of staff (Nain, 2018). Other operating issues plaguing the industry include increasing operating costs like food (Olusola, 2023), occasioned by the heightened inflationary pressure, with the attendant impacts on raw material costs and other operating expenses. This is further exacerbated by rising energy (diesel and natural gas) costs amid foreign currency shortages (Atere et al., 2023; Izuora et al., 2022). Consequently, this study intends to proffer solutions to the problem of the dwindling competitiveness of the hotels in South East Nigeria, by examining the relationship between operations strategies and competitiveness in the Hotels in South-East Nigeria.

Aim and Objectives of the Study

The aim of the study is to examine the relationship between operations strategies and competitiveness of Hotels in South-East Nigeria. The specific objectives are to:

i. Evaluate the relationship between value-driven operation strategy and quality of Hotels in South-East Nigeria.
ii. Analyze the relationship between value-driven operation strategy and innovativeness of Hotels in South-East Nigeria.

iii. Determine the relationship between value-driven operation flexibility and competitiveness of Hotels in South-East Nigeria.

Research Questions

In the light of the above objectives, the following research questions are stated;

i. What is the relationship between value-driven operation strategy and quality?
ii. What is the nature of the relationship between value-driven operation strategy and innovativeness?
iii. What is the relationship between value-driven operation strategy and flexibility?

Research Hypotheses

In the light of the study's specific objectives and research questions raised above, the following hypotheses are stated in their null form (H_0) as follows:

H_{01}: There is no significant relationship between value-driven operation strategy and quality of Hotels in South-East Nigeria.

H_{02}: There is no significant relationship between value-driven operation strategy and innovativeness of Hotels in South-East Nigeria.

H_{03}: There is no significant relationship between value-driven operation strategy and flexibility of Hotels in South-East Nigeria.

REVIEW OF RELATED LITERATURE

This study take its precept from Resource Based View (RBV). Resource based view was put forward in 1980's and 1990's following the original concept by Wernerfelt (1984) who sought to achieve sustainable organizational competitiveness. Barney (1991) further advances the theory by noting that a company is basically a reservoir of skills and assets which must be paired with suitable organizational policies to produce goods or services capable of meeting the customers' needs. RBV is of the view that prosperous company's efficiency can be enhanced by utilizing their unique and distinctive capacities that are often intangible or explicit in nature. RBV theory posits that organizations can achieve and sustain competitive advantage by leveraging their distinctive resources that are valuable, rare, inimitable, and non-substitutable, also known as VRIN criteria (Barney, 1991). This theory emphasizes that generic resources, like physical assets or technologies, can be easily imitated, whereas strategic resources—those that are unique and difficult to replicate—can drive competitive advantage.

In the context of the hospitality industry in South-East Nigeria, RBV theory can provide critical insights into identifying and utilizing strategic resources. For instance, the region's cultural heritage, local expertise, and traditional cuisines could be considered as unique resources that set apart hospitality establishments in South-East Nigeria from their competitors. By effectively leveraging these resources, organizations can create distinctive guest experiences that resonate with both domestic and international tourists.

RBV theory also highlights the significance of organizational capabilities and processes in converting resources into competitive advantages (Eisenhardt & Martin, 2000). For instance, the ability to efficiently manage guest relationships, ensure prompt service delivery, and adapt to cultural preferences can be considered as valuable organizational capabilities. In the context of the hospitality industry, these capabilities can translate into enhanced guest satisfaction, positive word-of-mouth, and repeat business. Furthermore, RBV theory highlights the function of adaptable capacities in maintaining competitive advantage over time (Teece et al., 1997). The willingness of an organisation to adjust and replenish its assets and skills in response to shifting market conditions and novel possibilities is referred to as dynamic capabilities. In the hospitality industry in South-East Nigeria, dynamic capabilities could involve continuously refining operational processes, training staff to provide culturally sensitive services, and innovating to meet evolving guest expectations.

By adopting RBV theory as an underpinning framework, the hospitality industry in South-East Nigeria can shape its operations strategies to achieve competitive advantage in several ways. Firstly, RBV theory prompts organizations to conduct a thorough internal analysis to identify their unique resources and capabilities. For example, hospitality establishments can evaluate their local expertise, cultural connections, and staff competencies to identify areas of competitive strength.

Secondly, RBV theory encourages the effective deployment of assets and skills to generate worth for guests and differentiate from competitors. This could involve crafting immersive guest experiences that showcase the region's cultural heritage, or customizing services to cater to different types of tourists, whether leisure, business, or cultural travelers.

Thirdly, RBV theory underscores the significance of perpetual learning and adaptation. Given the rapidly changing hospitality landscape and shifting customer preferences, organizations must invest in dynamic capabilities to remain relevant. This might entail ongoing training programs,

Overall, the Resource-Based View (RBV) theory provides a robust framework to enhance operations strategies and achieve competitive advantage in the hospitality industry in South-East Nigeria. By recognising and utilising strategic resources, developing organizational capabilities, and fostering dynamic adaptability, hospitality establishments can create unique guest experiences and position themselves effectively within the competitive landscape. While RBV theory offers valuable insights, its integration with other theories is essential to capture a comprehensive understanding of competitive advantage in the hospitality sector.

Value-Driven Operation Strategy

Value-driven operations strategies are designed to motivate managers to engage in actions that maximize shareholder value (Knauer et al., 2018, Brück et al., 2018). Aligning of factors that involve businesses, finances and investor strategies increases shareholder returns in high levels. Changes and focus should be more on past and previous performance, the amount to invest and devote shareholders value and to convince their target investors for future growth (Kotler & Gertner, 2002). The most affected industries are those that deal with technology. There have been daily developments in the financial sector that are essential to meet shareholder expectations. Many challenges are experienced but the end results to addition of value. Value is thus essential and technology companies need to create it. Value is usually eroded by deployment of bad choices about investments and funds. However, according to Duysters and Hagedoorn (2000), it is produced by shareholder, monetary, and investment tactics.

Value-driven operation strategy is described as a cohesive management control system (MCS) that aligns the whole organization with the strategic goal of maximizing worth to shareholders

(Schultze et al., 2018, Firk et al., 2016, Blume, 2016, Burkert & Lueg, 2013). Even though value-driven operation strategy is not a newly created MCS, it's regarded as an innovation once it is introduced into an organization (Brück et al. 2018). Value-driven operation strategy defines value creation interdependencies within the organization (value drivers) and organizational procedures by cause and effects (action plans), and it establishes incentives to act in the prescribed way (target setting and reward system) (Ittner & Larcker, 2001). Due to its clear rules, guidelines and measures, which aim to align an organization with the strategic goal of value creation, value-driven operation strategy is characterized as a formal MCS (Brück et al., 2018; Koufteros et al., 2014). Consequently, it may be considered a formal innovation once it is initially adopted in an organization.

Although there are a variety of value-driven operation strategy approaches and associated important indicators, they all have certain fundamental components in agreement that have historically been described as six steps of overall value-driven operation strategy by Ittner and Larcker (2001). Burkert and Lueg (2013) referred to this approach and developed a framework of value-driven operation strategy sophistication. According to Burkert and Lueg (2013), value-driven operation strategy sophistication identifies the primary components of value-driven operation strategy: (1) the selection among alternative strategies according to the highest expected value added to the company portfolio; (2) the provision of information on pertinent generic financial value drivers; (3) the provision of information on relevant, company-specific non-financial value drivers and/or key performance indicators (KPIs); (4) the empowerment and development of actions plans based on KPIs; (5) target setting to employees with a focus on long-term value creation including synergies; and (6) the development of a value-based mentality in all employees.

Competitiveness

Given the unpredictable economic climate of today, competitiveness is an important component for a firm's survival, growth and success (Oral & Kettani, 2009). Intense competition requires firms to be competitive for survival. small-scale enterprises in emerging nations need to enhance their competitiveness to survive by surmounting the limitations in their local markets to thrive. A thriving SMEs due to their contribution will also have an impact on the competitiveness of economies (Liargovas & Skandalis, 2010). In spite of the reality that there is agreement and acknowledgement on the need and importance of competitiveness for firms and economies, a concise definition of the concept still remains elusive. Competitiveness is a multifaceted and relative concept that makes it complex (Szerb, 2009). This has led to broad and varied definitions of competitiveness based on the school of thought ascribed to.

Competitiveness can be conceived and assessed at the national, commercial, industrial, or product levels. Our interest in this work is on firm level. The measurement technique of competitiveness differs depending on the analytical unit, such as the company, business, or nation and also indicators of competitiveness (Garelli, 2012). From literature it has been found out that there exists a wide range of determinants of competitiveness but a paucity of all-encompassing conceptualizations (Sancharan, 2011). Financial viability, efficiency, product quality, trade balance, market share, and advancement rate are among the many variables that academics have chosen as general indicators of competitiveness (Rugman et al., 2012; Sancharan, 2011). Competitiveness at a firm level involves productivity, efficiency and profitability elements (Sancharan, 2011). It is usually measured using such indicators as a firm's productivity, profitability, export performance, brand value and/or market share (Lalinsky, 2013). It may be deduced from the terminology of corporation-level competitiveness that a firm's competitiveness is based on its capacity for long-term profit realisation and adaptation. Firms must adopt different strategies in their bid to sustain their long run profitability which may include innovation, information technology, niche market, network, cluster and foreign direct investment strategies among others. The ability of firms to create, access and commercialize new knowledge in domestic, regional or global markets is also fundamental for their sustained competitiveness

Service quality

Quality is without a doubt very important in the competitive global environment of today (Alsmadi et al., 2011). Organizations who do not focus on quality face increasing threat of losing market share and as a result decline in profits. According to Sum et al. (2012) quality is not easy to define, the priority has multiple definitions. Scholars view the quality priority in different ways: the quality of a product is considered or the overall quality including both hard and soft aspects (Bulak & Turkyilmaz, 2014). Quality can be defined as offering products that meet pre-set product specifications (Drohomeretski et al., 2014), and producing products with high performance standards (Drake et al., 2013). Quality is also defined in more customer-focused ways as the ability of a company to offer products and services that meet or exceed the expectations of customers (Drake et al., 2013). Espino-Rodríguez and Padrón-Robaina (2004) makes a distinction of the definition of quality depending on if it is being viewed from a customer or company perspective. Quality seen from a customer perspective mean obtaining a product or service that meets the need of the customer, while from a company perspective it is being defined as doing things well the first time.

Innovativeness

The concept of innovativeness was introduced by Everett M. Rogers in 1962 in his book, *"Diffusion of Innovation",* where he categorized individuals (e.g. farmer) into five groups (innovators, early adopters, early majority, late majority and laggards) on the basis of innovativeness level as shown in the diagram below. According to Rogers (1995), innovativeness can be understood to be the extent to which a person or other element of adoption adopts novel concepts comparatively early than other members of the system.

It is legitimate to beget the understanding that the concept of innovativeness was developed solely to measure how early or fast an individual/consumer adopts an innovation in relation to others. This definition, however, does not suggest that an individual create or invent or innovate something for some purpose that is beneficial to oneself and/or other members of the system or society. Additionally, Roger's categorization depended on the independent variable, an individual consumer (Rogers, 1995).

Consequently, researchers later started to deviate from the adoption paradigm and brought focus onto creation paradigm (Danneels & Kleinschmidt, 2001; Hult et al., 2005; Ruvio et al., 2013 Sethi et al., 2001; Wang & Ahmed, 2004). According to this paradigm, innovativeness is about producing innovative outcomes. On this basis, Lumpkin and Dess (1996) defined innovativeness as “"the company's propensity to participate in and encourage novel concepts, fresh experiments, and inventive methods that could lead to new goods, services, or technological”. Similarly, Garcia and Calantone (2002) defined organizational innovativeness as “the capacity of a new innovation to influence the firm’s existing marketing resources, technological resources, skills, knowledge, capabilities, or strategy.” More so, Collin dictionary (2019) defines innovativeness as “the quality of being innovative”, where innovative means “introducing changes or new ideas or innovation.” (Collins Dictionary.com, 2019; Merriam-webster.com, 2019).

Flexibility

Flexibility is a broad concept for which numerous definitions are presented in the operations management literature. Most studies in the literature define flexibility as the ability of the manufacturing system to respond to changes. Table (2.1) contains some related definitions of flxibility. For instance, Holweg (2005) defines flexibility as a generic ability to adapt to internal and/or external influences. Zhang et al. (2003) define flexibility as the company's capacity to satisfy a wider range of client demands without incurring unwarranted expenses, delays, or organisational interruptions, or performance losses. Das (2001) defines flexibility as the ability of a manufacturing system to change states across an increasing range of volume and variety, while adhering to stringent time and cost metrics.

Despite the tremendous amount of contributions on flexibility literature, this concept has not been well understood because the terms “ability” and “changes,” which appear in most definitions are quite broad. The former term can include a wide range of capabilities such as technological (e.g., automated production systems), organizational (e.g., knowledge and human resources), or other types of capabilities (e.g., financial). Further, the term “changes” can include a wide range of incidences. Based on Gupta and Buzacott (1989), these changes could be fluctuations in demand volumes, changes in product design, packaging material, legislations, market competition, business models, resource availability, work procedures, business process, purchasing orders, introducing new technology, introducing new products, or other types of changes.

Value-Driven Operation Strategy and Service quality

In today's competitive landscape, the service industry is increasingly focusing on value-driven operation strategies to enhance the quality of service offered to customers. These strategies aim to align operational practices with customer expectations, resulting in improved service quality and customer satisfaction. This literature review aims to provide insights into the concepts of value-driven operation strategies and service quality, while also highlighting divergent perspectives where applicable.

Value-driven operation strategies emphasize creating value for both the customer and the organization through efficient and customer-centric operations (Lai & Cheng, 2019). This approach is rooted in the idea that operational decisions should be aligned with customer needs and preferences, ultimately leading to increased customer loyalty and competitive advantage. Grönroos (2006) suggests that value co-creation occurs through interactions between customers and service providers, necessitating a strategic alignment of operations to meet diverse customer requirements. However, some scholars argue that overemphasis on customization might lead to operational complexities and hinder cost-effectiveness (Berry et al., 2002).

Employee engagement and empowerment play a pivotal role in executing value-driven strategies and delivering quality service. Heskett et al. (1997) argue that engaged employees contribute to a positive service climate, which subsequently enhances service quality and customer satisfaction. Organizations that prioritize employee well-being and training create a workforce that is better equipped to deliver exceptional service experiences. However, the implementation of such strategies might face challenges in maintaining consistency across a diverse workforce (Alharbi et al., 2017).

Incorporating technology is another facet of value-driven operation strategies. Organizations are leveraging technology to streamline processes, enhance customer interactions, and gather insights for personalized service delivery (Fitzsimmons & Fitzsimmons, 2017). However, technological advancements might also lead to concerns regarding privacy and data security, which could impact customer trust and, consequently, service quality.

Furthermore, the integration of sustainability principles within value-driven strategies is gaining prominence. Organizations are recognizing that responsible environmental practices contribute to long-term value creation and resonate with socially conscious consumers. Balancing environmental concerns with operational efficiency poses a challenge that service organizations must navigate (Curtis et al., 2019). Arising from the above, it was hypothesized that:

H_{01}: *There is no significant relationship between value-driven operation strategy and service quality.*

Value-Driven Operation Strategy and Innovativeness

Value-driven operation strategies emphasize the alignment of operational decisions with customer preferences and needs (Lai & Cheng, 2019). Organizations strive to create value for customers by efficiently addressing their requirements, thereby enhancing customer satisfaction and loyalty. This approach extends beyond cost reduction; it encompasses initiatives that enhance customer experiences and deliver tailored solutions (Grönroos, 2006). Such strategies serve as catalysts for organizational innovation, fostering an environment conducive to the generation of novel ideas.

Innovativeness, a critical driver of organizational success, involves the creation and implementation of new ideas, products, processes, or practices (Damanpour, 1991). The pursuit of innovation is intrinsic to staying competitive in dynamic markets. Organizations often engage in innovation to differentiate themselves and offer unique value propositions to customers. Innovativeness spans incremental innovations—small improvements to existing processes—to radical innovations—fundamentally new approaches that disrupt industries (Damanpour & Schneider, 2006).

The synergy between value-driven strategies and innovativeness is evident in the quest to identify unmet customer needs and provide tailored solutions. Value-driven organizations are more likely to engage in customer-focused innovation, where customer insights drive the ideation and development of new offerings (Danneels, 2002). This aligns with the concept of "outside-in" innovation, emphasizing the importance of customer input in the innovation process (Chesbrough, 2003).

However, divergent perspectives emerge regarding the potential trade-off between value-driven strategies and radical innovation. Some argue that organizations overly focused on operational efficiency might resist disruptive changes due to the risks associated with radical innovation (Grönroos, 2006). Such organizations might opt for incremental innovations that align with their existing operations, potentially missing out on transformative opportunities. Thus, balancing short-term operational goals with long-term innovation aspirations becomes a challenge (Ahuja & Katila, 2001).

To address these challenges, organizations can adopt ambidextrous strategies, where they simultaneously focus on efficiency and innovation (Tushman & O'Reilly, 1996). Ambidextrous organizations create separate units for exploration and exploitation—exploration units drive disruptive innovation, while exploitation units focus on operational efficiency. This enables organizations to balance the need for short-term performance with long-term innovation success.

In conclusion, the relationship between value-driven operation strategy and innovativeness is complex yet crucial in today's business landscape. Value-driven strategies provide the foundation for customer-focused innovation, driving incremental improvements and enhancing customer experiences. However, the potential tension between operational efficiency and radical innovation requires organizations to adopt ambidextrous approaches that allow for experimentation while maintaining operational excellence. By striking the right balance, organizations can effectively navigate the dual demands of efficiency and innovation, creating a sustainable competitive advantage. Based on this, we hypothesize that:

***H_{02}:** There is no significant relationship between value-driven operation strategy and innovativeness.*

Value-Driven Operation Strategy and Flexibility

Flexibility, as a strategic imperative, refers to an organization's ability to respond effectively to changes in the external environment (Sanchez & Mahoney, 1996). It encompasses adaptability, responsiveness, and the capacity to seize new opportunities. Organizations that prioritize flexibility are better equipped to navigate uncertainties, manage disruptions, and remain competitive. Flexibility spans various dimensions, including product flexibility, process flexibility, and organizational flexibility (Volberda, 1998).

The convergence of value-driven strategies and flexibility is evident in the quest to tailor offerings to customer needs while remaining responsive to market shifts. Value-driven organizations often possess a customer-centric mindset, enabling them to rapidly adjust operations based on customer feedback and emerging trends (Lai & Cheng, 2019). This alignment with customer preferences facilitates a seamless integration of flexibility into operations, as the organization remains attuned to evolving demands.

Divergent perspectives emerge regarding the trade-off between cost-focused operational efficiency and the resource allocation required for organizational flexibility. Some scholars argue that cost-driven approaches might limit the resources available for investing in flexible operations (Cachon & Fisher, 2000). Organizations that focus excessively on operational efficiency might struggle to allocate resources to initiatives that enable responsiveness to changing circumstances. Balancing these conflicting demands requires careful resource allocation and strategic planning (Lai & Cheng, 2019).

Overall, the interplay between value-driven operation strategies and flexibility is pivotal in achieving sustainable competitiveness. Value-driven strategies provide a solid foundation for customer-focused initiatives, enhancing customer experiences and creating value. Integrating flexibility into operations requires organizations to strike a balance between operational efficiency and adaptability, which can be achieved through hybrid strategies and a culture of innovation. By embracing both value-driven approaches and flexibility considerations, organizations can navigate uncertainties, respond to changes, and achieve a competitive advantage in an ever-evolving business environment. Consequently, it is hypothesized that:

H_{03}: *There is no significant relationship between value-driven operation strategy and flexibility*

METHODOLOGY

The target population comprised of all hotels in the South-East geopolitical zone of Nigeria. The accessible population comprised of owners/managers and/or supervisors of 3-star hotels in the five South-East states. A total of three hundred and twenty-six (326) owners, managers, and supervisors gave their consent to participate in the study, which constituted the population of the study. A census study was carried out. The questionnaire used was uploaded into Google Forms and a link was generated that was sent to targeted online platforms where the category of the intended respondents could be found. In line with the study objectives, this study uses two types of analyses, namely descriptive statistics analysis and inferential analysis technique. The inferential analysis technique was performed with the help of statistical package of Smart Partial Least Square - Structural Equation Modelling (PLS-SEM) version 4.0.

RESULT

Test of Hypotheses

In order to test the bivariate hypotheses via the SEM, the bootstrap method was applied. Path coefficients (β values) of .10 to 0.29, .30 to .49 and .50 to 1.0 are weak, moderate and strong correlations, respectively. Also, for a two tailed test, t values greater than 1.96 are significant, while t values less than 1.96 are non-significant (Hair et al., 2014). Furthermore, hypotheses with p-values less than 0.05 level of significance were accepted, while those above 0.05 were rejected.

Test of Hypotheses 1 – 3

H_{01}: There is no significant relationship between value-driven operation strategy and quality of Hotels in South-East Nigeria.

H_{02}: There is no significant relationship between value-driven operation strategy and innovativeness of Hotels in South-East Nigeria.

H_{03}: There is no significant relationship between value-driven operation strategy and flexibility of Hotels in South-East Nigeria.

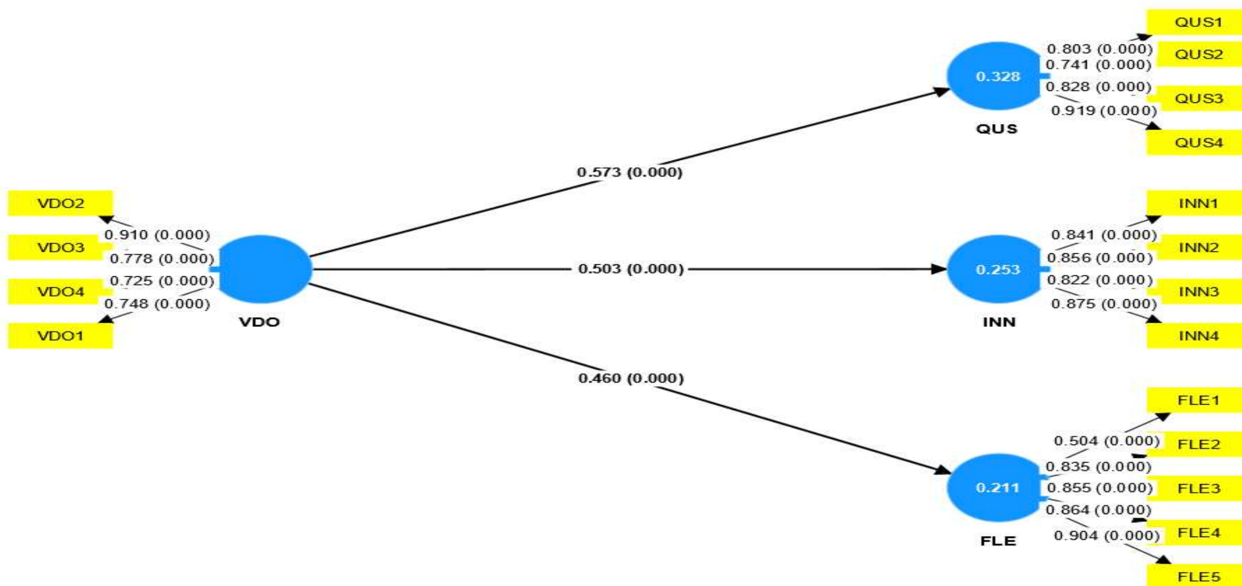

Figure 1 Hypotheses 1, 2 and 3 (Beta and p-values)

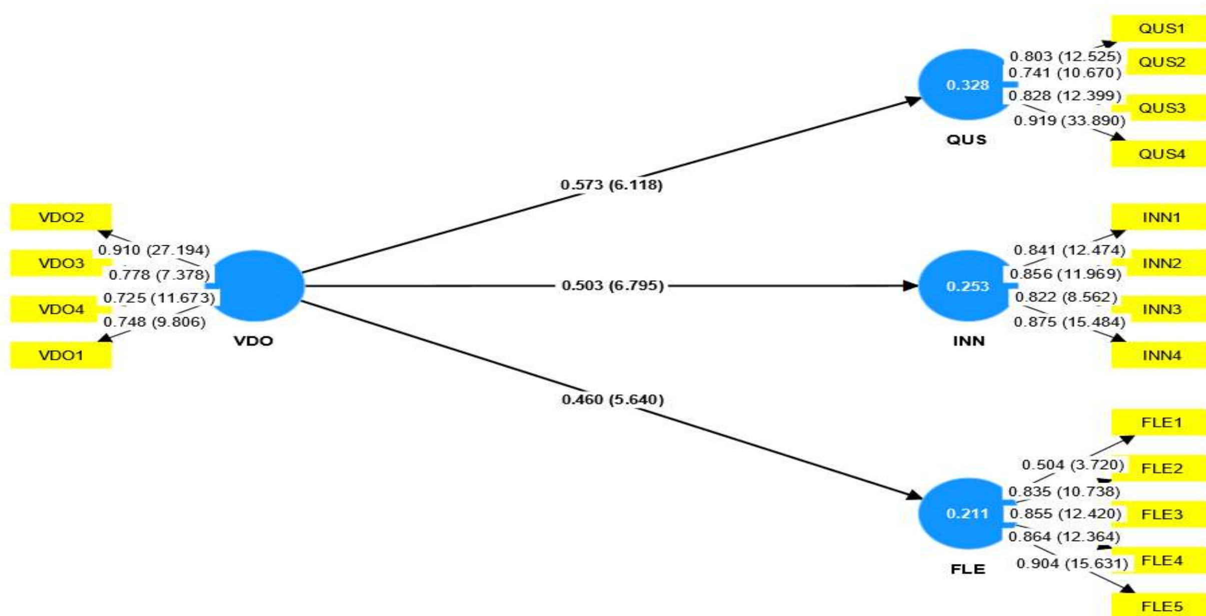

Figure 2: Hypotheses 1, 2 and 3 (Beta and t-values)

The path relationship analysis presented in figure 4.9 and figure 10 indicate that there are positive and significant paths between value-driven operation and service quality (β = 0.573, p = 0.000, = 6.118), value-driven operation and innovativeness (β = 0.503, p = 0.000, t = 6.795), and value-driven operation and flexibility (β = 0.460, p = 0.000, t = 5.640). Therefore, H_{O1}, H_{O2} and H_{O3} were rejected. Hence,

i. There is a significant relationship between value-driven operation and service quality.
ii. There is a significant relationship between value-driven operation and innovativeness.
iii. There is a moderate significant relationship between value-driven operation and flexibility.

Table 1: Results of Hypotheses Testing

Null Hypothesis	**Path Coefficient (β)**	**P Values (p)**	**T Statistics (t)**	**Decision on Hypotheses**
H_{O1}	0.573 (Strong)	0.000 (Accepted)	6.118 (Significant)	Rejected
H_{O2}	0.503 (Strong)	0.000 (Accepted)	6.795 (Significant)	Rejected
H_{O3}	0.460 (Moderate)	0.000 (Accepted)	5.640 (Significant)	Rejected

Discussion of Finding

Value-Driven Operation Strategy and Service quality

In today's competitive landscape, the service industry is increasingly focusing on value-driven operation strategies to enhance the quality of service offered to customers. These strategies aim to align operational practices with customer expectations, resulting in improved service quality and customer satisfaction. This literature review aims to provide insights into the concepts of value-driven operation strategies and service quality, while also highlighting divergent perspectives where applicable.

Value-driven operation strategies emphasize creating value for both the customer and the organization through efficient and customer-centric operations (Lai & Cheng, 2019). This approach is rooted in the idea that operational decisions should be aligned with customer needs and preferences, ultimately leading to increased customer loyalty and competitive advantage. Grönroos (2006) suggests that value co-creation occurs through interactions between customers and service providers, necessitating a strategic alignment of operations to meet diverse customer requirements. However, some scholars argue that overemphasis on customization might lead to operational complexities and hinder cost-effectiveness (Berry et al., 2002).

Quality service, a central tenet of value-driven strategies, involves consistently meeting or exceeding customer expectations (Parasuraman et al., 1988). Parasuraman et al. (1985) introduced the SERVQUAL model, which identifies five dimensions—tangibles, reliability, responsiveness, assurance, and empathy—that collectively define service quality. This model underscores the multifaceted nature of service quality, requiring organizations to address various aspects to deliver exceptional service. However, criticisms have arisen regarding the applicability of standardized models across diverse service industries (Gounaris, 2005).

While value-driven operation strategies and service quality are interconnected, certain divergent perspectives exist. Market saturation and customer heterogeneity often demand a delicate balance between customization and operational efficiency (Berry et al., 2002). Organizations need to identify the optimal level of customization that ensures customer satisfaction without compromising operational effectiveness. Additionally, while value-driven strategies emphasize customer co-creation, Zeithaml et al. (2006) critique this perspective, highlighting the need for organizations to possess distinct value propositions that set them apart from competitors.

Employee engagement and empowerment play a pivotal role in executing value-driven strategies and delivering quality service. Heskett et al. (1997) argue that engaged employees contribute to a positive service climate, which subsequently enhances service quality and customer satisfaction. Organizations that prioritize employee well-being and training create a workforce that is better equipped to deliver exceptional service experiences. However, the implementation of such strategies might face challenges in maintaining consistency across a diverse workforce (Alharbi et al., 2017).

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Value-Driven Operation Strategy and Innovativeness

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Innovativeness, a critical driver of organizational success, involves the creation and implementation of new ideas, products, processes, or practices (Damanpour, 1991). The pursuit of innovation is intrinsic to staying competitive in dynamic markets. Organizations often engage in innovation to differentiate themselves and offer unique value propositions to customers. Innovativeness spans incremental innovations—small improvements to existing processes—to radical innovations—fundamentally new approaches that disrupt industries (Damanpour & Schneider, 2006).

The synergy between value-driven strategies and innovativeness is evident in the quest to identify unmet customer needs and provide tailored solutions. Value-driven organizations are more likely to engage in customer-focused innovation, where customer insights drive the ideation and development of new offerings (Danneels, 2002). This aligns with the concept of "outside-in" innovation, emphasizing the importance of customer input in the innovation process (Chesbrough, 2003).

However, divergent perspectives emerge regarding the potential trade-off between value-driven strategies and radical innovation. Some argue that organizations overly focused on operational efficiency might resist disruptive changes due to the risks associated with radical innovation (Grönroos, 2006). Such organizations might opt for incremental innovations that align with their existing operations, potentially missing out on transformative opportunities. Thus, balancing short-term operational goals with long-term innovation aspirations becomes a challenge (Ahuja & Katila, 2001).

Moreover, the tension between efficiency and experimentation can hinder the pursuit of innovation. Value-driven strategies often emphasize standardized processes and optimized resource allocation, which might limit the freedom required for exploratory and experimental innovation (O'Reilly & Tushman, 2013). Organizations must foster an innovation culture that encourages risk-taking and supports experimentation to drive radical innovations.

To address these challenges, organizations can adopt ambidextrous strategies, where they simultaneously focus on efficiency and innovation (Tushman & O'Reilly, 1996). Ambidextrous organizations create separate units for exploration and exploitation—exploration units drive disruptive innovation, while exploitation units focus on operational efficiency. This enables organizations to balance the need for short-term performance with long-term innovation success.

In conclusion, the relationship between value-driven operation strategy and innovativeness is complex yet crucial in today's business landscape. Value-driven strategies provide the foundation for customer-focused innovation, driving incremental improvements and enhancing customer experiences. However, the potential tension between operational efficiency and radical innovation requires organizations to adopt ambidextrous approaches that allow for experimentation while maintaining operational excellence. By striking the right balance, organizations can effectively navigate the dual demands of efficiency and innovation, creating a sustainable competitive advantage.

Value-Driven Operation Strategy and Flexibility

Flexibility, as a strategic imperative, refers to an organization's ability to respond effectively to changes in the external environment (Sanchez & Mahoney, 1996). It encompasses adaptability, responsiveness, and the capacity to seize new opportunities. Organizations that prioritize flexibility are better equipped to navigate uncertainties, manage disruptions, and remain competitive. Flexibility spans various dimensions, including product flexibility, process flexibility, and organizational flexibility (Volberda, 1998).

The convergence of value-driven strategies and flexibility is evident in the quest to tailor offerings to customer needs while remaining responsive to market shifts. Value-driven organizations often possess a customer-centric mindset, enabling them to rapidly adjust operations based on customer feedback and emerging trends (Lai & Cheng, 2019). This alignment with customer preferences facilitates a seamless integration of flexibility into operations, as the organization remains attuned to evolving demands.

Divergent perspectives emerge regarding the trade-off between cost-focused operational efficiency and the resource allocation required for organizational flexibility. Some scholars argue that cost-driven approaches might limit the resources available for investing in flexible operations (Cachon & Fisher, 2000). Organizations that focus excessively on operational efficiency might struggle to allocate resources to initiatives that enable responsiveness to changing circumstances. Balancing these conflicting demands requires careful resource allocation and strategic planning (Lai & Cheng, 2019).

Moreover, the tension between efficiency and adaptability can challenge the pursuit of flexibility. Organizations might encounter resistance to change from employees accustomed to streamlined processes (Stank et al., 2001). Implementing flexibility often requires a cultural shift that embraces experimentation and risk-taking. This cultural transformation can be challenging in organizations deeply rooted in value-driven strategies emphasizing consistency and stability.

To address these challenges, organizations can adopt hybrid strategies that combine value-driven approaches with flexibility considerations (Cachon & Fisher, 2000). This entails aligning operational decisions with customer needs while building in buffers and agile practices to accommodate uncertainties. Cross-functional collaboration, information-sharing, and the integration of technology are crucial enablers of flexibility (Stank et al., 2001). By fostering a culture of continuous learning and adaptability, organizations can effectively navigate the complexities of balancing value-driven strategies with the demands of flexibility.

Overall, the interplay between value-driven operation strategies and flexibility is pivotal in achieving sustainable competitiveness. Value-driven strategies provide a solid foundation for customer-focused initiatives, enhancing customer experiences and creating value. Integrating flexibility into operations requires organizations to strike a balance between operational efficiency and adaptability, which can be achieved through hybrid strategies and a culture of innovation. By embracing both value-driven approaches and flexibility considerations, organizations can navigate uncertainties, respond to changes, and achieve a competitive advantage in an ever-evolving business environment.

CONCLUSION AND RECOMMENDATIONS

Based on the results of the test of hypotheses and the discussion of the findings, it is concluded that Value-driven operation may enhance competitiveness in Hotels in South-East Nigeria,The findings of the study revealed that value-driven operation, has significant positive relationship with competitiveness in Hotels in South-East Nigeria.

1. Given the significant relationship between value-driven operation strategy and quality of Hotels in South-East Nigeria, it is advisable for hotels in this region to prioritize and invest in value-driven strategies to enhance their quality standards.
2. In light of the significant relationship between value-driven operation strategy and innovativeness of Hotels in South-East Nigeria, hotels should consider adopting value-driven approaches to foster innovation and maintain competitiveness. Achieving innovativeness in hotels can be accomplished through the establishment of innovation teams that actively seek guest feedback and explore emerging technologies and trends in the hospitality industry.
3. Recognizing the significant connection between value-driven operation strategy and flexibility of Hotels in South-East Nigeria, it is recommended that hotels integrate flexibility into their operational strategies to adapt to changing market demands effectively.
4. To enhance flexibility in operations, hotels can implement dynamic pricing strategies, cross-training of staff, and flexible scheduling to adapt to fluctuations in demand and market conditions effectively.

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