Influence of Entrepreneurial Orientation and Leadership Management on Organizational Agility of Hotel Business in Thailand with Moderating Role of Innovative Learning

Siri-orn Champatong
Suan Sunandha Rajabhat University, Thailand
Email: siriorn.ch@ssru.ac.th

Yothin Sawangdee
Mahidol University, Thailand
Email: yothin.saw@mahidol.ac.th

Prateep Poprateep
Managing Director World Spirit on Tour CO. LTD, Thailand
Email: p.poprateep@gmail.com

Abstract---The objective of this study is to examine the role of entrepreneurial orientation and leadership management in organizational agility with the help of customer focus as mediating variable. Data collection is made through survey questionnaire. Hotel industry of Thailand is considered in this study. Therefore, questionnaires were distributed among the employees of Thailand hotels. Results of the study are approached by analyzing the data through statistical software. It is found that; entrepreneurial orientation has positive effect on organizational agility and customer focus. Furthermore, leadership management has positive effect on organizational agility and customer focus. Customer focus by hotels also promoting organizational agility with the help of entrepreneurial orientation and leadership management.

Keywords---customer focus, entrepreneurial orientation, hotel industry Thailand, leadership management, organizational agility.
Introduction

In the current business environment, changes in the hotel services are quite rapid (Ovchinnikova, Davydova, Volovik, & Vashliaeva, 2022) as compared to the last decade. With the change in various services, it is important for the hotels to work accordingly and meet the customer expectations. The changes in the hotel services are based on innovative services which lead to the higher quality. With the increase in technology, this industry faced most significant changes and has significant influence on the performance. Therefore, in the adoption of new services based on innovation and providing the high level of quality is most important (Hameed, Nisar, & Wu, 2021; Shin & Perdue, 2022). Generally, it has major influence on the success of the hotels and in the competitive business environment it is most important for the hotels to promote various changes and adoption of these changes for the hotels is most vital. Similar with other industries, the hotel industry of Thailand also required to adapt changes in the market which is based on the organisation agility. The hotel industry of Thailand is one of the famous industries nationally as well as internationally. The quality of food provided in Thai hotels has popularity in various other countries. It is also important because hotel industry of Thailand is linked with the tourism industry. The tourism industry of Thailand is one of the top industries and it is influenced by the top-quality hotels. The tourist travel from various countries and stay in various hotels of Thailand which require good quality services and it required to provide customized services. Therefore, the quality of services among the hotels of Thailand has influence on various other industries. Although this is one of the top industries of Thailand and it has major contribution in Thailand. This industry has contribution to the economy of Thailand and it has important role to promote various opportunities for the people to generate income.

However, this industry of Thailand is facing the issues related to the organisational agility. Most importantly, in the hotels of Thailand, the adoption of various changes is most important. To produce customised services the concept of organisational agility is most central (Ramkumar, Raja, & Kureethara, 2021). Despite the high growth of hotel industry in Thailand, this industry is still facing various issues related to market changes. This industry is also facing issues to produce customised solution because tourists from different countries visit Thailand and each tourist is based on different nationalities and its requirement is different from other tourists. Therefore, tourists from other nations always require the services related to their traditions as well as culture. Therefore, it is not easy for hotel industry of Thailand to produce services related to the several cultures and traditions. All the number of hotels in Thailand are promoting the culture of various nations to attract the people, however, it is not easy and it is one of the challenging situations for hotel management. Therefore, it is important to promote different strategies as well as planning to promote organisational agility.

The current study proposed that organizational agility can be promoted with the help of focus on customers. The focus on customers by the hotels can promote organizational agility. Because focus on customer is generally based on the adoption of various market changes and the changing in the services related to the customers requirement. The management focus on the specific countries from
a specific nation led them to adapt their culture as well as traditions in the services. Therefore, various activities of the hotel management and their focus on the customers lead towards the organizational agility. However, it is really important to know the factors that may affect to promote customer focus of the hotels. This study proposed that there are two important elements namely entrepreneurial orientation and leadership management (Razavi & Ab Aziz, 2017) which can promote customer focus. The entrepreneurial orientation of the hotel management and the leadership qualities of management among the hotels can promote customer focus. Therefore, both the elements have the ability to promote customer focus which has ultimate effect on organizational agility. Therefore, the objective of this study is to examine the role of entrepreneurial orientation and leadership management in organizational agility with the help of customer focus as mediating variable. Furthermore, the sub-objectives of the study are as follows;

- To examine the role of entrepreneurial orientation in customer focus and organizational agility.
- To examine the role of leadership management in customer focus and organizational agility.
- To examine the mediating role of customer focus

**Literature review**

Organizational agility can be explained as the capability of a company to: Adjust to external as well as internal changes. Quickly encounter customer demands and expectations. Lead change improving culture, practices, as well as outcomes. Therefore, the capability of the company to quickly meet the demands of the customer and the expectations of the customers based on changing environment including the element of customised products is called organisational agility. Similar with the other organisations that things always change quickly, most importantly in such innovative and advanced technological environment the things are changing quickly. The changes in the services and products are quicker as compared to the previous year with the increase in technology. Therefore, with the increase in passage of time, the interval between the old and new features of services is quite low. It is also important and that time of various changes in services is also quite short due to the increase in number of competitors. In the competitive environment, new businesses are entering in the market regularly which bring innovation in the services and change the dynamics of the market. Therefore, to meet the changing environment and customer needs is most important for companies to adopt. Similar with the other industries, hotel industry also facing the similar issues and require to adapt various changes in the market related to the services. In this direction, the current study considered organisational agility as dependent variable and this study identified the factors affecting on organisational agility which is important in hotel industry. In this way, this study considered two independent variables; namely entrepreneurial orientation and leadership management. The effect of entrepreneurial orientation and leadership management is considered on organisational agility. Furthermore, the effect of entrepreneurial orientation and leadership management is considered in relation to the customer focus. These relationships are considered in relation to the several gaps in the literature. As the different studies considered organisational agility (Bishop & Bechkoum, 2022; Margherita, Sharifi, & Caforio,
Entrepreneurial orientation is a firm-level strategic orientation (Dubey et al., 2020) which apprehensions an organization’s strategy-making practices, decision-making philosophies, and firm behaviours that are entrepreneurial in nature. Entrepreneurship is one of the basic elements of various business activities. The intention of the business management towards the entrepreneurship has influence on the business activities. In any business activity the orientation towards entrepreneurship elements can add the value to the business. Therefore, along with other businesses among hotel the entrepreneurial orientation is most important which is based on several strategies of the company. The strategies may be based on the decision-making strategies for the improvement of business. These strategies may be based on to deliver better services based on innovation as well as new technology along with the customized services. Majorly, it is based on the strategic orientation of the hotel. Most importantly entrepreneurial orientation is comprised of autonomy, competitive aggressiveness, innovativeness, proactiveness and risk-taking. Autonomy of the management to deal with the various matters and their different strategies to improve the hotel’s is important.

Furthermore, to compete with the competitors it is important to be an aggressive strategy maker. The aggressiveness is the important element to compete in the competitive market. But it is also based on the innovative activities of the hotel, most importantly the innovation in services lead to the quality of the services which is the indication of entrepreneurial orientation. Additionally, it is also important to have a first mover advantage, therefore proactiveness by the hotel is also important which is connected with entrepreneurial orientation. Moreover, the risk-taking behavior of the management is also important. Without taking the risk it is not easy to expand the businesses in the competitive market. Therefore, the important element of entrepreneurial orientation is risk taking among the hotels.
As mentioned above, organizational agility based on the adoption of various market changes (Ramkumar et al., 2021) in relation to the customized products and services. Similar with the organizational agility, the entrepreneurial orientation is also most important which has connection with organizational agility. This study proposes that organizational entrepreneurial orientation has the ability to influence positively the organizational agility. Because entrepreneurial orientation is based on various strategies of the company to promote business activities through different steps and organizational agility is also one of the steps to adapt the changes in the market. Therefore, entrepreneurial orientation has positive role to influence organizational agility. More importantly the elements of entrepreneurial orientation such as competitiveness along with innovation, proactiveness and risk taking has direct influence to promote organizational agility.

Additionally, this study also proposed that entrepreneurial orientation also has influence on customer focus. The organizational agility cannot be achieved with the help of entrepreneurial orientation only without involving the focus on the customers. Therefore, the customer focus is the major for hotel because the customization and adaptation of various changes in the market is directly linked to satisfy the customer. Entrepreneurial orientation has influenced to promote customer focus which has the ability to promote organizational agility. As evident from previous studies that entrepreneurial orientation has significant relationship with the customers of the organization (Acosta, Crespo, & Águdo, 2018; Gupta, Niranjan, & Markin, 2020). It is also highlighted that organizational agility and entrepreneurial orientation has significant positive relationship. Thus, following hypotheses are proposed;

Hypothesis 1. Entrepreneurial orientation has positive effect on organizational agility.
Hypothesis 2. Entrepreneurial orientation has positive effect on customer focus.

Management consists of controlling a group or a set of entities to accomplish a goal. Leadership refers to an individual’s ability to influence, motivate, and enable others to contribute toward organizational success (Jamali, Bhattu, Khaskhely, & Sethar, 2022; Phillips, Thai, & Halim, 2019). Influence and inspiration separate leaders from managers, not power and control. Management is connected with the goals of the organization. To manage the organization leadership is most important and an effective leadership lead towards the better management to achieve the goals of the organization. Leadership generally based on the ability of an individual, ability of an employee or ability of a manager of the company to lead their employees. It is based on the positive influence on the employers to motivate the employees and lead with examples which causes to increase the performance of the organization as well as employees. A good leader always influences positively and become a positive inspiration for their employees. And it controls the main cause of the organization effectively. Along with different business companies’ hotels also require better leadership capabilities of the employees. The leadership capability in the hotels has significant influence to provide various services to the customers. Generally, better leadership management among the hotels lead towards the employees to generate various innovative ideas which causes to promote innovation in the services. This
industry is majorly based on the services and innovation in the services may lead to the quality services and to increase the satisfaction level of the customer's, ultimately it shows positive role to promote organizational performance.

Leadership management is connected with organizational agility (Saha, 2017) as organizational agility is based on the adoption of various changes and promote the customized services. Therefore, in this direction, change management lead the employees to produce customized services and adopt the market changes according to the needs of the customer. The leadership quality is motivating the employees to generate innovative ideas and provide better services to the customers. Therefore, it can be explained as leadership management is an important source of organizational agility. To promote organizational agility the individuals must have leadership qualities. This study proposed that leadership management among the hotels as positive role to influence organizational agility.

In addition to the positive role of leadership in management and organizational agility (Khalid, Madhakomala, & Purwana, 2020), it is also significantly connected with the customer focus. A better leader always understand the importance of the customers and it always try to focus on the customers. The management of better leadership resources among the hotels promote focus on the customers rather than on various other elements of the organization. Quality in leadership always helpful for customers and provide unique services to the customers. Therefore, leadership management has influential role to promote customers. As given in the previous studies that leadership management is one of the most important elements which focuses on the customers. In this direction, it is proposed that leadership management has significant role to influence customer focus and customer focus has influence to promote organizational agility. Therefore, leadership management has direct effect on organizational agility and customer focus has indirect effect on customer agility through leadership management. Therefore, following hypotheses are proposed;

Hypothesis 3. Leadership management has positive effect on organizational agility.
Hypothesis 4. Leadership management has positive effect on customer focus.

The above section shows that the direct effect of entrepreneurial orientation on customer focus and organizational agility. Furthermore, the direct effect of leadership management is developed in relation to the customer focus and organizational agility. The current section shows the indirect effect of customer focus. The above section shows that entrepreneurial orientation has significant relationship with customer focus and organizational agility. Furthermore, these sections are also shows that leadership management has significant relationship with customer focus and organizational agility. Finally, the direct effect of customer focus has significant relationship with organizational agility. In this direction, it is evident that all the direct effects are significant, therefore, according to the instructions of Baron and Kenny (1986), customer focus can be used as mediating variable between entrepreneurial orientation and organizational agility. Customer focus is also used as mediating variable between leadership management and organizational agility. Therefore, following direct and indirect hypotheses are proposed;
Hypothesis 5. Customer focus has positive effect on organizational agility.
Hypothesis 6. Customer focus mediates the relationship between entrepreneurial orientation and organizational agility.
Hypothesis 7. Customer focus mediates the relationship between leadership management and organizational agility.

Methodology

The current study used primary measures to examine the relationship between variables. In this study, leadership management is measured based on the ability of the individuals. It is measured based on the influence of the individuals on various employees. Particularly, it is measured that the manager of the hotels has influence on their employees and the level of motivation of the employees due to the leader. Additionally, leadership is measured with the help of success of the organization and the role in the success. Furthermore, entrepreneurial orientation is measured based on the orientation of the hotel in strategic orientation. It is measured that how the hotels take various decisions in relation to the customers. Therefore, entrepreneurial orientation is measured based on the strategic orientation of the hotels to take various strategic decisions to promote Hotel services. Furthermore, customer focus is measured based on the focus of the policies of the hotels to ensure the customization. The strategic policies of the hotels and planning which has influence on the customer focus is considered to measure customer focus. Additionally, this study measured dependent variable; organizational agility with the help of ability of the organization to adopt various changes. To adapt various changes, include the external changes as well as internal changes. Both external as well as internal changes are important by the organization to promote services and produce customized products. Therefore, these elements are included while measuring the organizational agility. Organizational agility is also considered in relation to the mitigation of customers’ demands as well as expectations and behavior of the organization to meet demands and expectations with the help of adoption of various changes.

To examine the relationship between entrepreneurial orientation, leadership management and customer focus this study design a survey questionnaire. The measures mentioned above are used to design a survey questionnaire. This study adopted all these measures from the previous studies and already revealed scales items are used to develop a scale. Finally, 5-point Likert scale is used to collect data from the respondents. Population of the study is the employees working in Thailand. The employees of the hotels are considered as the respondents of the current study. In this way, this study preferred to collect 350 questionnaires. Therefore, all these questionnaires are distributed among the employees of hotels working in Thailand. Finally, this study collected 170 questionnaires in response and various remainders were also sent to the respondents. Finally, 165 valid questionnaires were used in data analysis.

Data analysis

Data analysis of this study is carried out with the help of structural equation modeling (SEM). This technique is followed with the help of Smart PLS 3. It is one of the most prominent software which is recommended in previous studies (Khan
et al., 2019; Ploenhad, Laoprawatchai, Thongrawd, & Jermsittiparsert, 2019). In first part of analysis, factor loading is examined. It is shown in Figure 2 and Table 1 that all the items have factor loading about 0.5. To check the convergent validity, this study examined composite reliability (CR) and average variance extracted (AVE). Results in Table 1 shows CR is above 0.7 and AVE is above 0.5 which confirmed the convergent validity. Additionally, discriminant validity is examined with the help of HTMT\textsubscript{0.9} value as shown in Table 2.

![Figure 2. PLS Outer Model](image)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Loadings</th>
<th>Alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td>CF1</td>
<td>0.955</td>
<td>0.921</td>
<td>0.935</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>CF2</td>
<td>0.957</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Orientation</td>
<td>EO1</td>
<td>0.912</td>
<td>0.943</td>
<td>0.955</td>
<td>0.898</td>
</tr>
<tr>
<td></td>
<td>EO2</td>
<td>0.933</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EO3</td>
<td>0.933</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EO4</td>
<td>0.919</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership Management</td>
<td>LM1</td>
<td>0.941</td>
<td>0.899</td>
<td>0.921</td>
<td>0.825</td>
</tr>
<tr>
<td></td>
<td>LM2</td>
<td>0.949</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LM3</td>
<td>0.94</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>LM4</td>
<td>0.903</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Agility</td>
<td>OA1</td>
<td>0.916</td>
<td>0.937</td>
<td>0.949</td>
<td>0.841</td>
</tr>
<tr>
<td></td>
<td>OA2</td>
<td>0.907</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OA3</td>
<td>0.934</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1
Factor loadings and convergent validity
Table 2
Discriminant validity

<table>
<thead>
<tr>
<th></th>
<th>Customer Focus</th>
<th>Entrepreneurial Orientation</th>
<th>Leadership Management</th>
<th>Organizational Agility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Orientation</td>
<td>0.854</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership Management</td>
<td>0.742</td>
<td>0.743</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Agility</td>
<td>0.689</td>
<td>0.763</td>
<td>0.824</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3 shows structural model (Hair, Hult, Ringle, Sarstedt, & Thiele, 2017; Hair et al., 2019) and results are given in Table 3 and Table 4. Direct effect results are given in Table 3 and indirect effect results are given in Table 4. It is found that entrepreneurial orientation has significant positive effect on customer focus and organizational agility as the t-value of this hypothesis is about 1.64. Furthermore, leadership management also has a significant and positive effect on customer focus and organizational agility as the t-value is also achieved the threshold level. Finally, the beta value of all the hypotheses is positive which shows the direct relationship. Furthermore, the direct effect of customer focus on organizational agility is also significant and positive. Therefore, all the direct effects are supported. Additionally, the indirect effect of customer focus is given in Table 4 which shows that the t-value is above 1.64 for both the relationships, therefore, the indirect effects are also significant.

![Figure 3. PLS Inner Model](image-url)
Table 3
Direct effect

<table>
<thead>
<tr>
<th></th>
<th>Beta</th>
<th>M</th>
<th>SD</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Focus -&gt; Organizational Agility</td>
<td>0.461</td>
<td>0.458</td>
<td>0.074</td>
<td>6.239</td>
<td>0</td>
</tr>
<tr>
<td>Entrepreneurial Orientation -&gt; Customer Focus</td>
<td>0.5</td>
<td>0.494</td>
<td>0.088</td>
<td>5.708</td>
<td>0</td>
</tr>
<tr>
<td>Entrepreneurial Orientation -&gt; Organizational Agility</td>
<td>0.394</td>
<td>0.393</td>
<td>0.096</td>
<td>4.1</td>
<td>0</td>
</tr>
<tr>
<td>Leadership Management -&gt; Customer Focus</td>
<td>0.428</td>
<td>0.434</td>
<td>0.089</td>
<td>4.829</td>
<td>0</td>
</tr>
<tr>
<td>Leadership Management -&gt; Organizational Agility</td>
<td>0.118</td>
<td>0.121</td>
<td>0.06</td>
<td>1.966</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Table 4
Indirect effect

<table>
<thead>
<tr>
<th></th>
<th>Beta</th>
<th>M</th>
<th>SD</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Orientation -&gt; Customer Focus -&gt; Organizational Agility</td>
<td>0.23</td>
<td>0.229</td>
<td>0.066</td>
<td>3.499</td>
<td>0</td>
</tr>
<tr>
<td>Leadership Management -&gt; Customer Focus -&gt; Organizational Agility</td>
<td>0.197</td>
<td>0.196</td>
<td>0.042</td>
<td>4.725</td>
<td>0</td>
</tr>
</tbody>
</table>

Conclusion

The objective of this study was to examine the effect of entrepreneurial orientation and leadership management on organizational agility. Furthermore, the mediating role of customer focus is also examined in relation to the organizational agility. The hotel industry of Thailand is considered and data collection is made through questionnaire. Results of the study highlighted that entrepreneurial orientation has significant positive effect on organizational agility. It indicates that increase in entrepreneurial orientation among the organizations can increase the organizational agility. Furthermore, along with the direct effect of entrepreneurial orientation on organizational agility, it is also observed that it has also affect through customer focus. As the significant focus on customers can transfer the positive effect of entrepreneurial orientation on organizational agility. In this direction, customer focus strategy by the hotels playing an important role to create a link between entrepreneurial orientation and organizational agility. Similarly, leadership management also has influential role in organizational agility. In a similar fashion, customer focus transferring the positive effect of leadership management on organizational agility. As reported by the results, leadership management has positive effect on customer focus with lead to the organizational acidity. Finally, it is concluded that entrepreneurial orientation and leadership management has the ability to influence organizational agility with the help of customer focus among the hotel industry of Thailand.
Implications

The current study results provided various theoretical as well as practical implications. Theoretically the relationship examined in this study in the hotel industry of Thailand is rarely examined by the previous studies. All the several studies examined organizational agility along with the entrepreneurship and leadership, however, along with the mediating role of customer focus these elements are not considered in the hotel industry. Therefore, this study filled the important literature gap. Finally, these theoretical implications of the study lead to the practical implications. As results of the study shows that entrepreneurial orientation and leadership management has the ability to promote organizational agility, therefore, it is important for the management of hotels to promote entrepreneurial orientation and leadership management. It is important for the management to promote focus on customers; therefore, hotel management should develop various strategies to promote customer focus and provide various customized services.

References


innovation and business performance in the Pakistani hotel industry. 
International Journal of Hospitality Management, 92, 102745.
styles on faculty performance: Moderating role of organizational culture in 
Organizational Culture Shape Organizational Agility In Indonesian SMEs?? 
Khan, G. F., Sarstedt, M., Shiau, W.-L., Hair, J. F., Ringle, C. M., & Fritze, M. P. 
(2019). Methodological research on partial least squares structural equation 
modeling (PLS-SEM): an analysis based on social network approaches. Internet 
Research.
strategy, action and performance dimensions of organisational agility 
development. Technology Analysis & Strategic Management, 33(7), 829-842.
Ovchinnikova, I., Davydova, E., Volovik, T., & Vashliaeva, I. (2022). The 
Importance of Corporate Social Sustainability in the Anti-Crisis Management of 
a Hotel Business. Paper presented at the International Scientific and Practical 
Conference" Sustainable development of environment after Covid-19"(SDEC 
2021).
Phillips, S., Thai, V. V., & Halim, Z. (2019). Airline value chain capabilities and 
CSR performance: the connection between CSR leadership and CSR culture 
with CSR performance, customer satisfaction and financial performance. The 
Mediating role of competitive advantage on the relationship of supply chain 
management and organizational performance on the food industry of Thailand. 
Agility and 7Ps of the Marketing Mix for the Post-COVID-19 Period: A Case 
Study of the Indian Informal Food Sector. Uma Vakadae Ramkumar, 
Manivannan Anand Shankar Raja, Joseph Varghese Kureethara." Organisational Agility and 7Ps of the marketing mix for the post-COVID-19 
period: A case study of the Indian informal food sector". Journal of 
Contemporary Issues in Business and Government, 27(5).
orientation, transformational leadership, and intrapreneurial intention in 
Iranian R&D sector. International Journal of Entrepreneurial Behavior & 
Research.
achieving sustainable organisational excellence? New Trends and Issues 
Proceedings on Humanities and Social Sciences, 4(10), 110-117.
customer engagement for open innovation: Focused on empowerment and 
motivation processes. International Journal of Hospitality Management, 100, 
103077.