

The Impact of Strategic Management Application on Entrepreneurial Orientation in Five-Star Hotels in Jordan

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Abstract

The study aimed to investigate the impact of implementing strategic management in five-star hotels in Jordan. This was done through environmental scanning and analysis, strategy formulation, strategy implementation, evaluation, and control of the entrepreneurial direction. The study used a descriptive and analytical approach to measure the impact of strategic management on entrepreneurial orientation and an analytical method to measure the relationship between the dimensions of the two variables. The study targeted five-star hotels in Jordan, and a representative sample of 230 respondents, including general managers, quality and operations, human resources, and others relevant to strategic planning and implementation, was selected according to the sampling table and concluded that there is a positive and strong effect between strategic management and entrepreneurial orientation, as well as a positive effect of the sub-variables represented by environmental analysis, formulation, application, and then strategic evaluation and control on entrepreneurial orientation. The study contributes to the scientific library by enriching the scarce literature on this topic. It also provides practical contributions and important recommendations to the hotels included in the study. Furthermore, the study recommended further research on strategic planning and entrepreneurial orientation.

Keywords: Entrepreneurial Orientation, Environmental Scanning, Evaluation and Control, Five-star Hotels, Jordan, Strategy Formulation, Strategy Implementation

Introduction

Business organizations strive to uphold their presence and influence in the market by diligently pursuing the highest performance standards. Achieving this objective necessitates meticulous attention to managing processes and developing strategies to secure a competitive edge over the long term. This involves continuously improving operational

efficiency, innovating new products or services, and adapting to changing market dynamics to stay ahead of the competition.

Strategic management is crucial for enhancing performance through efficiency and effectiveness. It is systematic processes applied across all fields and activities; it brings benefits at all levels, from individual to institutional.

Entrepreneurial orientation is an organizational value that describes the propensity of an organization towards adopting new ideas and converting them towards developing new services, products, or processes and procedures, and the associated risk-taking. A prudent proactive approach requires keeping the organization informed of changing external environmental conditions to maximize value creation for itself and its customers. It also refers to the ability to invent and create that focuses on strategic management with performance enhancement, bearing in mind the associated risks, offering incentives, and allowing employee independence. Hence, companies earn a competitive advantage through entrepreneurial orientation. Being one of the generators in growing small- and medium-scale enterprises was classified as very important, according to Okangi, 2019.

The present work is intended to demonstrate the effect of strategic management application on entrepreneurial orientation within the five-star hotels in Jordan. The intent of the research is to come up with scientifically and practically tenable results and recommendations that give rise to developments within the five-star hotels in Jordan and help these units achieve their goals.

Statement of Purpose

Such orientation and management are equally important for an organization to stay competitive and adapt quickly to the rapid changes happening in the business environment. Strategic management enables the implementation of entrepreneurial thinking in organizations and rapid adaptation to changes in the environment in this direction. It also plays a very important role in improving competitive positions and maximizing profitability. In this context, the domain of a five-star hotel in Jordan needs even more of an entrepreneurial orientation to maintain competitiveness through investment in innovating services and activities, and adopting modern technology. According to earlier studies, the survival of five-star Jordanian hotels depends on the application of strategic management and investment for entrepreneurial direction. Some of these studies are based on the works of (Al-Kandari, 2019; Salah, 2019; Aref, 2019; Sulistyo & Ayuni, 2020; Hawamdeh, 2022; Al-Mahmadi & Alqurashi, 2022; Abdelrahman & Emam, 2022). As such, it becomes an imperative to answer the following questions in this research:

How does strategic management application influence entrepreneurial orientation in the Five-Star Hotels in Jordan? This has four sub-questions:

- What is the impact of Environmental Scanning on entrepreneurial orientation in Five-Star Hotels in Jordan?
- What is the impact of strategy Formulation on entrepreneurial orientation in Five-Star Hotels in Jordan?
- What is the impact of Strategy Implementation on entrepreneurial orientation in Five-Star Hotels in Jordan?
- What is the impact of Evaluation and Control on entrepreneurial orientation in Five-Star Hotels in Jordan?

Significant of the Study

The importance of the present study is grounded in both aspects: theoretical and practical.

Theoretical Importance: It shows the importance of the work in underlining the functions of strategic management and entrepreneurial orientation in business organizations in general, and in five-star hotels in Jordan in particular. There is a scarcity of research linking these variables, particularly in the Arab environment, so this study aims to fill that gap and contribute to enriching knowledge in this field.

Practical Importance: The study will determine the impact of strategic management on entrepreneurial orientation in five-star hotels in Jordan. The results and recommendations will benefit the hotels and contribute to the country's economy.

Definition of Terms

- The concept of **strategic management** involves the comprehensive study of different aspects of reality, including strengths, weaknesses, challenges, and opportunities. It focuses on creating future visions and goals. This is evaluated through environmental analysis, setting objectives, devising strategies, and carrying out evaluations and follow-ups.
- **Environmental scanning and analysis** entails examining both the external environment (public and private) and the internal environment (organizational structure) of five-star hotels.
- In **strategy formulation**, five-star hotels in Jordan develop a mission, goals, identify gaps, and make plans according to the principles of strategic planning.
- The **implementation of the strategy** involves executing projects, managing budgets, and establishing procedures at five-star hotels.
- **Evaluation and Control** is a process that monitors and manages activities at five-star hotels in Jordan, comparing the actual performance with the desired or planned performance.
- **Entrepreneurial orientation** refers to the inclination of managers and owners of five-star hotels in Jordan to act independently, take business-related risks, proactively respond to market conditions, and compete strongly with other companies. This orientation is measured in the study using three dimensions: innovation, proactivity, and risk-orientedness.

Previous Studies

This section presents previous studies directly and indirectly related to the issue of this study.

Alzuod and Dalain (2022) studied the impact of entrepreneurial orientation on innovative performance in Jordanian SMEs during the COVID-19 period. Data from 221 SMEs in Zarqa City, Jordan, showed a significant positive correlation between entrepreneurial orientation and innovative performance. However, aspects of innovation, risk-taking, and proactivity had limited impact. The study recommends prioritizing these aspects to foster a culture of entrepreneurship and innovation in Jordanian SMEs.

Al-Mahmadi's (2022) study investigated the role of knowledge management in achieving organizational proficiency in the General Administration of Education in Jeddah Governorate. The study found a significant impact of knowledge management in achieving organizational ambidexterity and made recommendations to promote knowledge generation and acquisition, establish organizational units for exploitation and exploration activities, and identify methods of work and administrative practices.

In 2021, a study by Salah titled "The Role of Entrepreneurial Orientation as a Tool for Zain Iraq Mobile Telecommunications Company" investigated the impact of entrepreneurial orientation and its dimensions on organizational success. The study included 60 managers from the company. Using a descriptive-analytical approach and SPSS software, the study found that Zain Iraq Mobile Communications Company has a strong focus on entrepreneurial orientation and showed good levels of organizational success. The study recommended that the company invest in and benefit from creativity, proactivity, risk acceptance, independence, and competitive attack to enhance organizational success in the future.

Aref 2021 examined the role that entrepreneurial orientation could play in accomplishing strategic resilience within the Egyptian pharmaceutical sector. The dimensions considered, in particular, are creativity, risk, and the grasping of opportunities to answer flexibility in the market, production, and human resources. The study included 210 workers from eight pharmaceutical companies in Egypt and used a descriptive-analytical approach with questionnaires for data collection. The results indicated varying importance of entrepreneurial orientation dimensions in affecting strategic flexibility and a positive relationship between most dimensions of entrepreneurial orientation and strategic flexibility. Ayoub (2021) addressed the role of entrepreneurial orientation in the success of small and medium organizations in the Wilayat of Skikda, Algeria. The study found a statistically significant positive relationship between entrepreneurial orientation and the success of small and medium enterprises. It recommended the effective adoption and implementation of creativity and proactivity to improve competitiveness and performance for sustaining success.

The 2022 study by Zhongfeng Authors explores the effects of the institutional environment for entrepreneurship and strategic flexibility on entrepreneurial orientation in Chinese manufacturing companies. The study sample consisted of 1200 companies, and the findings highlighted the positive impact of external and social environmental assessments, as well as government-independent evaluations, on entrepreneurial orientation. Conversely, the interactive role of community evaluation and strategic flexibility had a negative impact on entrepreneurial orientation.

Iqbal et al (2021) conducted a study on the link between entrepreneurial orientation and innovation performance in SMEs. They found positive direct relationships between entrepreneurial orientation, organizational commitment, and innovation performance. The research also revealed that change leading is very important in regulating the link between entrepreneurial orientation and organisational commitment. The conclusions propose that among small and medium enterprise leaders should concentrate on enterprise advice and transformational leadership aimed at improving innovation performance through strategic planning and operational development. Additionally, through the research done by Ayuni (2021) on the competitive advantages of SMEs it was found that innovation capabilities and performance are significantly influenced by entrepreneurship orientation and social capital which consequently led to competitive advantage for small and medium enterprises. The study was conducted among 254 respondents who were owners of small and medium size handicrafts in Semarang, Gepara and Kudus with data being analyzed using the structural equation model through AMOS program. Based on the findings, it is recommended that training courses should be emphasized, and employee participation would enhance educational capabilities while improving the performance of small-medium enterprises.

This study is different from others in terms of its goals and procedures. Previous studies, especially in Jordan, have not examined the impact of strategic management application on entrepreneurial orientation in five-star hotels in Jordan.

Methodology

This section overviews the current study's sample, study tool, validity and reliability procedures. It also includes the statistical methods used for data analysis and the presentation of results. This study falls under the category of descriptive research surveys. It aims to analyze and evaluate the characteristics of a specific group or a particular position, focusing on recipe selection.

Study Population and Sample

Table 1

Distribution of the sample according to the study variables

| | Category | Frequency | Rate |
|----------------------------|-----------------------|------------------|-------------|
| Gender | Male | 123 | 53.48 |
| | Female | 107 | 46.52 |
| Age | Less than 30 | 42 | 18.26 |
| | 30-less than 40 | 39 | 18.96 |
| | 40 – less than 50 | 72 | 31.30 |
| | 50 and above | 77 | 33.48 |
| Education | Diploma and below | 54 | 23.48 |
| | Undergraduate | 90 | 39.13 |
| | Graduate | 86 | 37.39 |
| Experience | 1 to less than 5 yrs | 61 | 26.52 |
| | 5 to less than 10yrs | 32 | 13.91 |
| | 10 to less than 15yrs | 76 | 33.04 |
| | 15 to less than 20yrs | 49 | 21.3 |
| | 20years+ | 12 | 5.22 |
| Post | General Manager | 63 | 27.39 |
| | HR manager | 24 | 10.43 |
| | Quality Manager | 24 | 10.43 |
| | Other | 119 | 51.74 |
| Level of management | Top management | 63 | 27.39 |
| | Middle management | 48 | 20.87 |
| | Low management | 119 | 51.47 |
| Total | | 230 | 100.0 |

Source: developed by the author based on data analysis

Study Tool

The researcher reviewed relevant literature, including previous Arabic and foreign studies, to develop a questionnaire. The questionnaire was given to general managers, quality managers, operations managers, and other individuals working in strategic roles. It consisted of three parts: the first part collected demographic information, the second part contained indicators measuring Strategic Management Application, and the third part focused on Entrepreneurial Orientation.

Instrument Validity

Validity for the instrument was established through content and face validity, and it was standardized based on the input of an expert group from Jordanian universities. The raters reviewed and modified items, and the researcher adjusted the tool based on their feedback.

Instrument Reliability

The instrument's reliability was determined through a pilot study involving a sample of 40 respondents from the study population. The reliability coefficient was 0.87 for Strategic Management, 0.84 for Entrepreneurial Orientation, and 0.91 for the entire tool, indicating its reliability for use in the Jordanian population.

Statistical Measures

Processed the data using SPSS software and used various statistical measures such as reliability measures, simple regression, F-test, correlation coefficient, ANOVA, and multiple regressions. The data was categorized into specific degrees from 1 to 5 representing weak positive, average positive, and high positive degrees.

Study Findings

The first question: What is the impact of strategic management application on the entrepreneurial orientation in Five-Star Hotels in Jordan?

To answer this question Means and standard deviations have been extracted for the role of applying strategic management and its impact on entrepreneurial orientation, and Table 2 shows this.

Table 2

Means and standard deviations for the role of study domains and its impact on the entrepreneurial orientation

| Rank | Domain | Mean | St. D. | Degree |
|------|-------------------------|------|--------|--------|
| 1 | Environmental Scanning | 4.56 | .52 | High |
| 2 | strategy Formulation | 4.29 | .75 | High |
| 3 | Evaluation and Control | 4.15 | .68 | High |
| 4 | Strategy Implementation | 3.94 | .62 | High |

Source: developed by the author based on data analysis

For the relationship between strategic management application and entrepreneurial orientation, the researcher used simple regression to calculate this relationship as shown in the following tables:

Table 3

Simple regression analysis for the effect of environmental scanning on the entrepreneurial orientation of surveyed hotels

| | R | R ² | Beta | F | Sig. |
|-----------------------------|------|----------------|------|--------|------|
| entrepreneurial orientation | .569 | .324 | .569 | 13.904 | .000 |

Source: developed by the author based on data analysis

The environmental scanning accounted for 13.8% of the variation in entrepreneurial orientation, with an "F" value of 13.904 and a statistically significant p-value of 0.000 (significance level of $\alpha \leq 0.05$). This suggests a positive relationship between environmental scanning and entrepreneurial orientation, supporting the partial hypothesis.

Table 4

Simple regression analysis for the effect of strategy formulation on the entrepreneurial orientation of surveyed hotels

| | R | R² | Beta | F | Sig. |
|-----------------------------|----------|----------------------|-------------|----------|-------------|
| Strategy formulation | .278 | .077 | .278 | 7.288 | .006 |

Source: developed by the author based on data analysis

The strategy formulation explained 7.7% of the variance in entrepreneurial orientation. The "F" value reached 7.288 with a statistical significance of 0.006, which is statistically significant at the significance level ($\alpha \leq 0.05$). This indicates a positive effect between strategy formulation and entrepreneurial orientation, supporting the acceptance of the partial hypothesis.

Table 5

Simple regression analysis for the effect of strategy implementation on the entrepreneurial orientation of surveyed hotels

| | R | R² | Beta | F | Sig. |
|--------------------------------|----------|----------------------|-------------|----------|-------------|
| Strategy implementation | .309 | .095 | .309 | 9.17 | .003 |

Source: developed by the author based on data analysis

The strategy implementation stage explained 9.5% of the difference in entrepreneurial orientation. The "F" value reached 9.17 with a statistical significance of 0.003, showing a statistically significant effect at the significance level ($\alpha \leq 0.05$). This indicates a positive relationship between strategy implementation and entrepreneurial orientation, supporting the hypothesis partially.

Table 6

Simple regression analysis for the effect of evaluation and control on the entrepreneurial orientation of surveyed hotels

| | R | R² | Beta | F | Sig. |
|-------------------------------|----------|----------------------|-------------|----------|-------------|
| Evaluation and Control | .484 | .235 | .484 | 26.566 | .000 |

Source: developed by the author based on data analysis

Evaluation and control of strategic management explained 0.235 of the variances in the entrepreneurial orientation, and the "F" value reached 26.566 with a statistical significance of 0.000, which is statistically significant at the significance level ($\alpha \leq 0.05$), which indicates the presence of a positive effect between entrepreneurial orientation and evaluation and control as an important stage in the application of management. strategy, indicating acceptance of the partial hypothesis.

Discussion

The application of strategic management has a varying degree of positive impact on entrepreneurial orientation. In a recent study, it was revealed that the hotels under review heavily utilize strategic planning, employing a phased approach that starts with environmental scanning, followed by strategic formulation, application, and ending with evaluation and control. This process involves analyzing collected data and information to identify opportunities and threats, with organizational intelligence playing a crucial role in data analysis and plan development. Also, the achievement of goals and roles is a well thought out process where planning phase. The implementation phase culminates this.

Beyond that, due to their very organized nature especially in the context of being a part of a global chain running hotels in Jordan they have a strong impact on all aspects of entrepreneurial orientation. Therefore, it becomes imperative to undertake an elaborate environmental analysis in order to identify potential opportunities that may be availed and also mitigate against possible threats in the area served. Also during formulation stage, these hotels focus on customer needs and wants as enshrined within their strategic plans ensuring strict control when implementing them. This strategy is what has made these hotels achieve market leadership, become distinct and win competition both locally and internationally. Moreover, it focuses its marketing activities and promotional campaigns towards international markets.

The outcomes of this study conform to previous findings by Benzaghta et al (2021); Köseoglu et al (2020); Kurpiela and Teuteberg (2022) indicating that strategic planning has a significant influence on organizational performance and marketing effectiveness. Also, the paper by Zaric et al (2023) demonstrates an approach to the semantic representation of local government's strategy development process, while Sanches et al (2023) offer an approach for incorporating sustainability into the strategic planning process for higher education institutions.

Conclusion, Implications and Recommendations

This study highlights the important role of employee engagement and strategic planning in maintaining the competitiveness of five-star hotels in Jordan Strategic management enables the integration of management perspectives, it enables organizations to adapt quickly to environmental changes, improve their competitive position and maximize profitability , to Invest in innovation, activity development, and the use of modern technologies and motivate The findings indicate that management strategies including environmental assessment, policy formulation, implementation, evaluation and control significantly improve entrepreneurial attitudes. This study contributes to the academic literature by embedding research on this topic and offers practical recommendations for hotel managers to adopt a general management strategy do not encourage innovation and competition. Future research should continue to examine these dynamics in different contexts and sectors to further validate and extend these findings.

Theoretical Explanation

1. Contribution to existing knowledge: This study provides empirical evidence of a positive relationship between strategic management practices and entrepreneurial intentions in the case of five-star hotels in Jordan included, supporting the hypothesis that management practices improve entrepreneurial intentions.

2. Developing new designs: The findings suggest that a strategic management strategy that includes environmental assessment, strategic planning, implementation, and evaluation is needed provide a business perspective, which may lead to a new theoretical framework integrating these elements
3. Future research directions: The study highlights the need for further research on strategic planning and management strategies, especially in different contexts and sectors. Future research could examine the impact of specific management policies on performance outcomes.

Practical Implications

1. Real-World Applications: Hotel managers can use the findings to improve their strategic business plans, thereby improving their business attitudes, and leading to better decisions, innovations and competitive advantage.
2. Policy Implications: Policymakers in the hospitality industry can use these insights to develop guidelines and support systems that encourage strategic management practices among hotels, fostering a more entrepreneurial and competitive industry.

Based on the findings and conclusions of this study, the following recommendations are proposed

1. Hotels should incorporate the results of environmental surveys into their marketing planning as part of their strategic plan. This includes considering the dynamic nature of the marketing mix and focusing on customer relationships to meet their needs and offer cost-effective services, which can positively impact their entrepreneurial orientation.
2. Regularly devise plans to align opportunities and threats with the hotel's marketing system.
3. Enhance the strategic objectives of hotel operations by consistently promoting their services both internally and externally, offering competitive pricing, and striving for higher quality compared to other tourism organizations, which can positively influence their entrepreneurial orientation.
4. Conduct further survey studies that explore the connection between entrepreneurial orientation and strategic implementation, or any of its components.

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