

# Pro-activeness and Organizational Survival of Hotels in Bayelsa State

Thomas C. Okoisama & Edwinah Amah

## Abstract:

The study investigated the relationship between Pro-activeness and Organizational Survival. The study adopted the cross sectional survey design, as the on a snapshot basis. The accessible population of the study, consists of 120 owners of hotels in Bayelsa State, Nigeria. The instrument was validated with Exploratory Factor Analysis, and preliminary analysis were performed to check normality, linearity and equality of variance. A sample size of 92 was determined, using the Krejcie and Morgan's formula, with an adjusted sample size of 110 owners of hotels. Questionnaire was the main instrument for data collection and data obtained from 100 retrieved and usable copies of the questionnaires were analyzed by means of the SPSS to generate descriptive statistics. The Structural Equation Modelling was deployed, by means of Analysis and Moments of Structures software, to test hypotheses, using a reflective, reflective and recursive model approach to predict the dependent variable. The results revealed that Pro-activeness has a positive significant relationship with the measures of Organizational Survival; Competitiveness and Adaptability. The study recommends that the drive for pro-activeness should stem primarily from the organizations capabilities and its ability to sustain and manage such change functions, either by upgrading its systems or by acquiring the required expertise or techniques for its operations. The study contributes to knowledge by providing empirical evidence of the relationship between pro-activeness and organizational survival, by means of the structural equations modelling. Hotel management should be pro-active as to adopt orientations that project the organization ahead of competitors, given that change and competition are inevitable.



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## Introduction

Business survival is accomplished through sustained learning and building versatile capacity, coming from the firm's inclination for sustained adjustment to changes, seen and unanticipated, in the internal and external environment. Cunningham (2016) declared that organizational survival portrays the capacity or the probability of the firm to continue in existence, notwithstanding the difficulties faced in the business condition. This depiction suggests that for a firm to survive it must exhibit its capacity to ceaselessly meet with the requests of its market as a rule described with persistent change in demand and taste, and in addition meet with requests of investors, partners and government (Kpakol & Gabriel, 2015). A comparable view was shared by Olufunmilola (2014), contending that organizational survival ought to depict how the corporate performance is successful and effective as far as gainfulness, development, deals boost, cost minimization and general efficiency. The author contended, further advancement, innovativeness, interest in innovative work act extraordinary job in the survival of the firm. As indicated by Osibanjo, Abiodun and Obamiro (2011), organizational survival must be sought after by each firm that is desirous of remaining longer in the market, and accordingly should embrace methodologies that guarantee their persistent presence in the market. The absence of mindfulness and utilization of satisfactory methodologies to guarantee organizational survival, have kept on expanding the quantity of business failure throughout the world. Anthony, Duncan and Siren (2014), provided details regarding business failure that eight out of each ten new businesses don't make it after the initial two years. This high rate of business failure was significantly ascribed to factors internal and external to the business condition which some business people neglect to manage. Enejeta (2017) detailed that the 'United Nations Industrial Development Organization's Investment and Technology Promotion Office' (UNIDO ITPO 2017) noticed that 80% of small companies nose-dive in Nigeria. Over the past decade, much have been written about pro-activeness and organizational survival. Despite the increase in prior publications and studies, there is dearth in literature in the connection between pro-activeness and organizational survival. Also, studies that have utilized structural equations modeling (SEM) with AMOS software, to quantify the impact of pro-activeness and organizational survival is scant. Thus, this study, is structured to examine how pro-activeness will lead to organizational survival of hotels in Bayelsa State, by means of the structural equations modeling.

## LITERATURE REVIEW

### Pro-activeness

These has been differently characterized by various authors and researchers. For example, Mirrian Webster Dictionary (2007) characterize it as the capacity to act in expectation for future need, issues, and changes. The above definition uncovers that pro-activeness is related and basic in entrepreneur orientation since it support forward looking activity by the entrepreneur that energize advancement and inventiveness. Pro-activeness involves acting to impact the future patterns as opposed to sitting tight for the future to impact you. As confirmed by Kuratko et al., (2007) it includes dynamic investigation of chances inside the business environment and assuming liability of any apparent disappointment. To Okudan and Rzasa (2006), pro-activeness involves the capacity to envision future difficulties, approaching needs and change. One can see it as the capacity of firm to improve and be the first to present new product, strategies, innovation and process. Smith and Cao (2008) contended that

proactive firms are in a superior position to abuse existing open doors by checking their condition for valuable data that they can use to fulfill underserved markets. Moreover, for the firm to take an authority position inside the business, they need a proactive conduct (Lumpkin & Dess, 2001). As confirmed by Breznik and Hisrich (2014), effective proactive firm try to develop by effectively rethinking the market and in that capacity has a tendency to appreciate more consumer loyalty, more client requests, and higher gainfulness in the long run.

### **The Concept of Organizational Survival**

Organizations are founded to survive and be profitable to the entrepreneurs. The importance of organizational survival goes beyond the growth, cost minimization and profit maximization objectives of a firm (John, Michael & Cassiu, 2017). As argued by the authors, the survival strategy or goal, facilitates the achievement of other goals in the organization, while business survival can be compared to an unwritten code of the association that is more essential to the entrepreneur than the composed code. Organizational survival can be looked at, as the firm's ability to achieve sustainable growth, which leads to eventual superior performance (Imoisili, 1978). Lekhanya (2016) noted that organizational survival can be viewed as an unwritten law that guide each firm. Therefore, survival should be viewed as the main objective that guides the choice activities of business leaders and enthusiasts, regularly and continuously. Jennings and Beaver (1995) argued that organizational survival largely has to do with financial viability and growth, as well as other factors like employee and owner's satisfaction. As noted by Mindy (2010), the most prominent objective of an organization, is the firm's ability to survive.

### **Competitiveness**

A firm appreciates a competitive advantage when the association make some move or procure some benefit that place the organization in a superior position over its rivals. The most recent century in the field of administration has been ruled by speculations that empower the association to accomplish competitive advantage over different contenders. Thusly the role of competitive advantage and accomplishing upper hand, shape the focal point of dialog in scholastic papers in the last decade, particularly in the field of key administration (Furrer 2008; Keh et al., 2007; Jia et al., 2013). A few authors have seen competitive advantage with the capability approach, underscoring the job of elements that are inner to the association instead of those components that are outer to the association. The elements inward to the association may incorporate such factors firm focused methodology, abilities, ingenuity, genius animation, structures, unmistakable and immaterial resources that guide the accomplishment of competitive advantage (Adeyemi, 2014; Chen, 2007). As supported by Cowden, Tang and Bendickson (2016), an association capacity to recognize and send assets available to it towards accomplishing hierarchical objectives may help the association in accomplishing a world class competitive advantage. For an association to give its clients more prominent esteem and a more attractive support of its client more than its rivals, such association must be productive by both ability administration and assets administration (Farja et al., 2016; Cowden, Tang, & Bendickson, 2016).

### **Adaptability**

Dalziell and McManus (2004) depicted firm adaptive capacity to incorporate the commitment of organization's staff or representatives with the obligation of building up the firm's strength

through their work since they "comprehend the connections between the association's flexibility and its long haul achievement". They likewise characterize adaptive capacity as identifying with solid administration and a culture which empowers clear correspondence, great working connections, and a mutual vision over the association. The organization is imaginative and inventive, and individuals can continually and persistently act to coordinate or surpass the requirements of the association's working condition. The authors rushed to separate between adaptive capacity and vulnerability, contending that both idea are regularly utilized reciprocally for one another, to a great extent because of the way that adaptation is incorporated into the meaning of vulnerability. Armitage (2005) in a socio foundation setting, noted that adaptive capacity of an organization depends to a great extent, on the qualities of individuals, as adaptive capacity can be seen as the capacity of a group or people to keep up an exploratory dispositions toward new circumstance as they happen inside the given conditions. Given the above circumstance, McManus (2007) noted that capacity can be drawn closer from two particular angles: the socio-natural, and authoritative conduct. Amah and Baridam (2001) assessed the need of firm adaptation and noticed that the real target is to accomplish advantage over the less versatile contenders. One would contend from the above that a firm's adaptive capacity is connected to competitive advantage.

### The Objectives of the Study:

1. To ascertain the relationship between pro-activeness and competitiveness.
2. To determine the relationship between pro-activeness and adaptability.

### Research Hypotheses

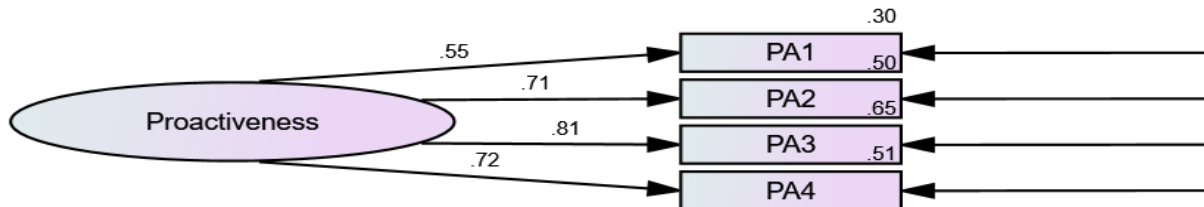
**Ho1:** There is no significant relationship between the pro-activeness and competitiveness.

**Ho1:** There is no significant relationship between the pro-activeness and adaptability.

### RESEARCH METHODOLOGY

The cross-sectional survey design was adopted for the study, as data was collated on a snapshot basis. This study aimed at examining the relationship between pro-activeness and organizational survival; competitiveness and adaptability, of hotels in Bayelsa State, Nigeria. The population for this study comprises of all the owner-managed hotels, registered with the Bayelsa State Hotel Proprietors' Association. The accessible population consists of 120 respondents. Since the respondents are the hotel owners, there are in position to express their opinion about the questions relating to the research instrument. The sampling procedure adopted in this study is the simple random sampling technique, which enables each member of the population to have an equal chance of being selected. A sample size of 92 hotel owners was determined using Krejcie and Morgan's formula. Data was collected through questionnaire. The predictor variable-pro-activeness, was based on the earlier work by Gupta & Gupta (2015). The criterion variable-Organization survival were measured in terms competitiveness and adaptability respectively, and was based on the work of Alegre & Chiva (2013). The variables were measured using the 5 point Likert's scale. The instrument was subjected to Cronbach Alpha test of reliability which gave a high reliability alpha of above the 0.7 threshold prescribed by Nunnally, (1978). Principal Component Analysis was used to determine the eigenvalues, which was used to ascertain the contribution of each statement item, to the construct. The eigenvalues were above the threshold of 1.0 (Kaiser's criteria). The Structural Equation Modelling was deployed to test hypotheses, using a reflective, reflective and recursive model approach to predict the dependent variable. Convergence validity was

determined based on the following thresholds: Standardized factor loadings >0.5 (Brown, 2014), Average variance extracted >0.5, and Composite reliability > 0.5 (Fornell & Larcker, 1981). Discriminant validity was assessed based on the criterion that “the square root of the average variance extracted must be greater than its correlations with all other constructs” (Fornell & Larcker, 1981).

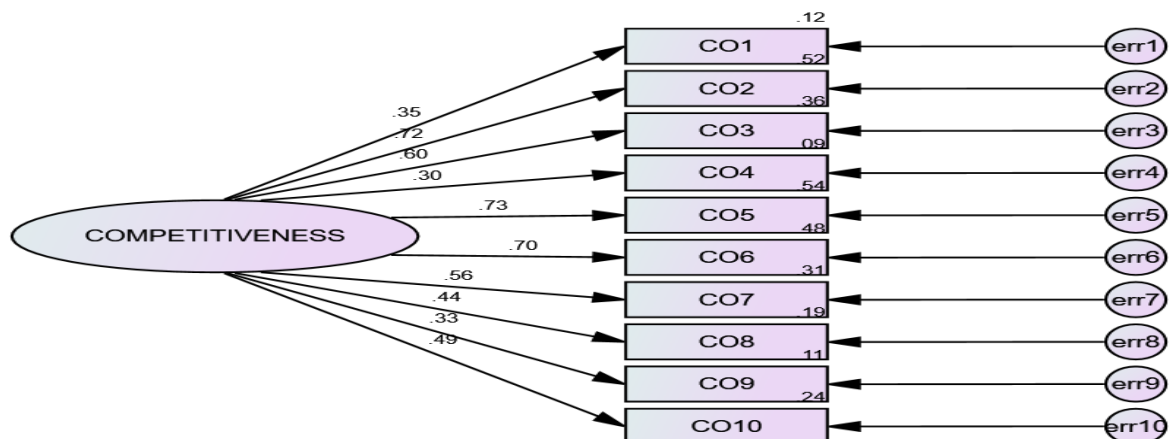


**Figure 1: Measurement Model of pro-activeness**

**Table 1: Measurement Model Analysis of pro-activeness**

Model	Chi-Square(df), Significance	NFI	TLI	CFI	RMSEA	Variable	Standardized Factor Loading Estimates	Error VAR
<b>Pro-activeness</b>	(2df) =4.49, P<0.000	0.99	0.96	0.99	0.64	PA1	0.55	0.30
						PA2	0.71	0.50
						PA3	0.81	0.65
						PA4	0.72	0.51

**Source:** Amos 24.0 output on research data, 2019

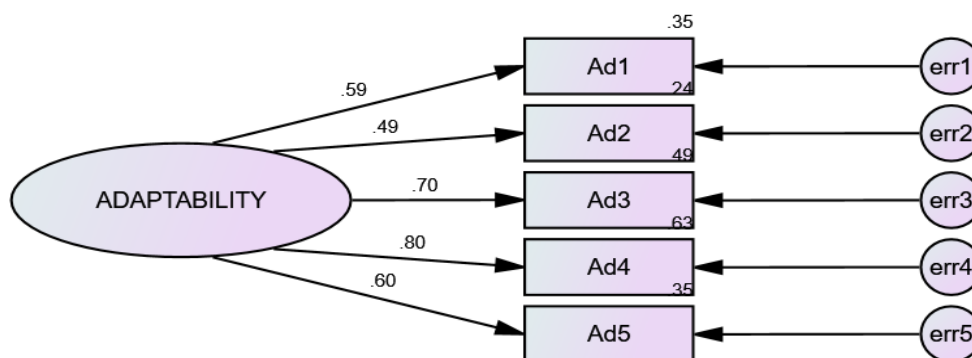


**Figure 2: Measurement Model of Competitiveness**

**Table 2: Measurement Model Analysis of Competitiveness**

Model	Chi-Square(df), Significance	NFI	TLI	CFI	RMSEA	Variable	Factor Loading Estimates	Error VAR
<b>Competitiveness</b>	(35df) =242, P<0.000	1.0	0.59	1.0	0.14	CO 1	0.35	0.12
						CO2	0.72	0.52
						CO3	0.60	0.36
						CO4	0.30	0.09
						CO5	0.73	0.54
						CO6	0.70	0.48
						CO7	0.56	0.31
						CO8	0.44	0.19
						CO9	0.33	0.11
						CO10	0.49	0.24

Source: Amos 5.0 output on research data, 2019

**Figure 3: Measurement Model of adaptability****Table 3: Measurement Model Analysis of adaptability**

Model	Chi-Square(df), Significance	NFI	TLI	CFI	RMSEA	Variable	Factor Loading Estimates	Error VAR
<b>Adaptability</b>	(5df) =29.8, P<0.000	0.92	0.87	0.94	0.13	AD1	0.59	0.35
						AD2	0.49	0.24
						AD3	0.70	0.49
						AD4	0.80	0.63
						AD5	0.60	0.35

Source: Amos 5.0 output on research data, 2018



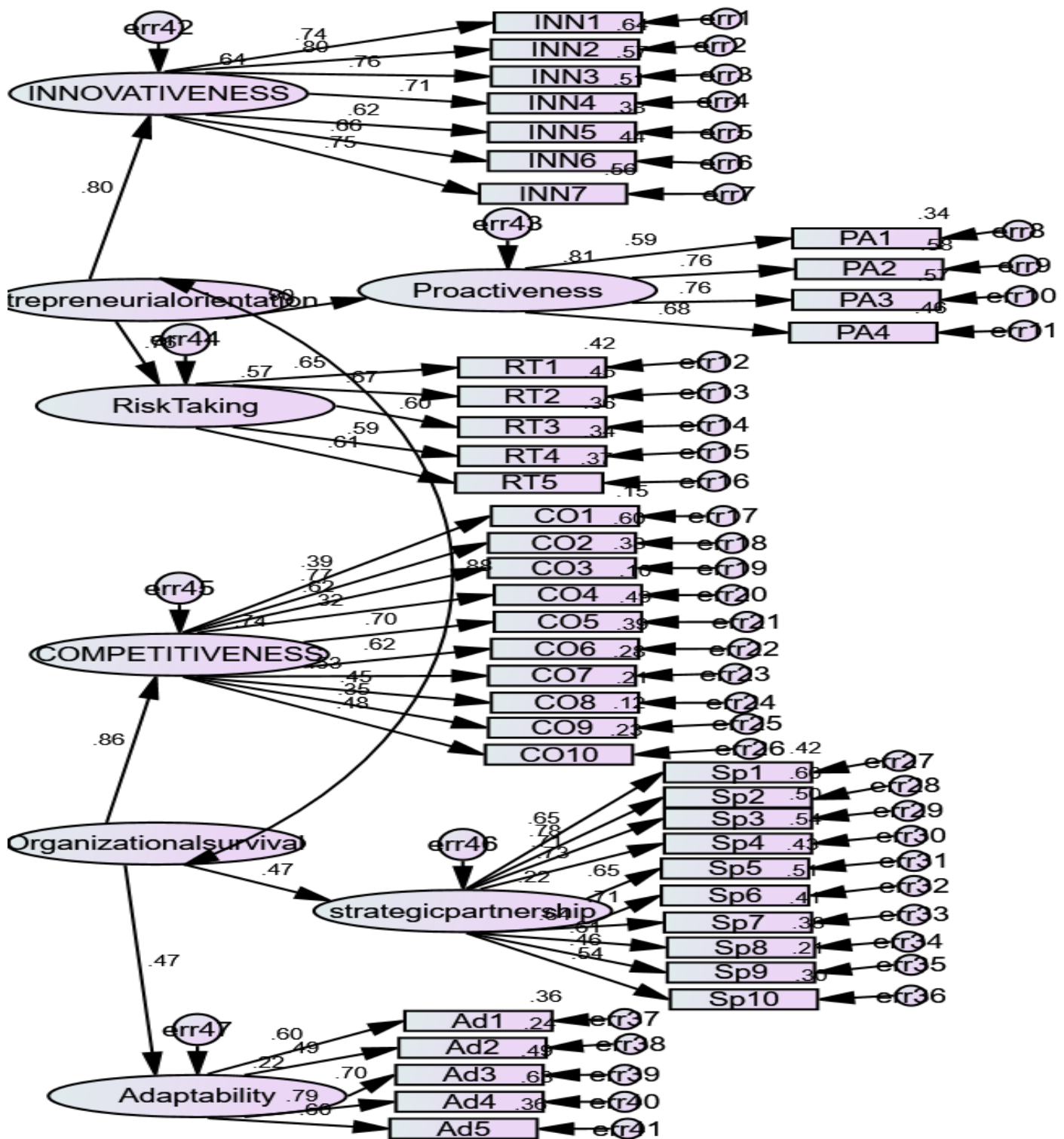


Figure 4: Structural Model

**Table 4: Correlations, Composite Reliability, Degree of freedom, Construct: Convergent and Discriminant Validity.**

Variable	INN	PRO	RISK	COMP	STRA	ADAPT	TECH	CR	Df	AVE
PRO	0.64	<b>1.0</b>	0.50	0.54	0.23	0.23	0.36	0.78	2	0.51
COMP	0.47	0.54	0.56	<b>1.0</b>	0.37	0.29	0.39	0.78	35	0.56
ADAPT	0.24	0.23	0.17	0.29	0.39	<b>1.0</b>	0.18	0.76	5	0.58
<b>Note:</b> PRO=Pro-activeness, COMP=Competitiveness, ADAPT= Adaptability, CR= Composite Reliability, AVE= Average Variance Extracted, Df= Degree of freedom.										

**Source:** Amos 5.0 output on research data, 2018

**Convergence validity** was determined based on the following thresholds:

- (1) Standardized factor loadings > 0.5, Degree of freedom > 0 (Brown, 2014),
- (2) Unstandardized factor loadings > 0.8, Average variance extracted of all dimensions > 0.5, and Composite reliability > 0.5 (Fornell & Larcker, 1981).

**Discriminant validity** was assessed based on the criterion that “the square root of the average variance extracted must be greater than its correlations with all other constructs” (Fornell & Larcker, 1981).

### Test of Hypothesis

**Table 5: Result of standardized and unstandardized regression estimate of the model.**

S/N	Mediation Stage	Relationship	Std. Beta	Actual Beta	S.E	C.R	P	Remark
1	X → Y (Hypothesis 1)	Pro-activeness and Competitiveness	0.59	0.86	0.23	4.62	0.000	Not supported
2	X → Y (Hypothesis 2)	Pro-activeness and Adaptability	0.59	0.94	0.16	2.54	0.000	Not supported

**Source:** Amos 24.0 output on research data, 2018

### Hypothesis One

**Ho1:** There is no significant relationship between pro-activeness and competitiveness.

#### **Positive Relationship between pro-activeness and competitiveness of Hotels in Bayelsa State.**

Table 5 above illustrates the analysis for the association between pro-activeness and competitiveness of Hotels in Bayelsa State, where  $\beta=0.59$ ,  $r=0.86$  and  $p = 0.000$ . The findings show a very positive and significant association between both variables (where  $\beta>0.3$ ,  $r>0.7$  and  $p < 0.05$ ). Thus, based on the criteria for null hypothetical statement acceptance ( $\beta<0.3$ ,  $r<0.7$  and  $p > 0.05$ ); or rejection ( $\beta>0.3$ ,  $r>0.7$  and  $p < 0.05$ ), we reject the null hypothesis and restate that there is a positive significant relationship between pro-activeness and competitiveness of Hotels in Bayelsa State. Therefore, Ho1 was not supported.

### Hypothesis Two

**Ho2:** There is no significant relationship between pro-activeness and adaptability.

#### **Positive Relationship between pro-activeness and adaptability of Hotels in Bayelsa State.**



Table 5 above illustrates the analysis for the association between pro-activeness and adaptability of SMEs in Nigeria, where  $\beta=0.59$ ,  $r=0.94$  and  $p = 0.000$ . The findings show a very positive and significant association between both variables (where  $\beta>0.3$ ,  $r>0.7$  and  $p < 0.05$ ). Thus, based on the criteria for null hypothetical statement acceptance ( $\beta<0.3$ ,  $r<0.7$  and  $p > 0.05$ ); or rejection ( $\beta>0.3$ ,  $r>0.7$  and  $p < 0.05$ ), we reject the null hypothesis and restate that there is a positive significant relationship between pro-activeness and adaptability of Hotels in Bayelsa State. Therefore, Ho2 was not supported.

### Interpretation of Results and Discussion Findings:

The first hypothesis (Ho:1), states that there is no significant relationship between pro-activeness and competitiveness. However, table 5 indicates that pro-activeness has a positive and significant relationship with competitiveness of hotels in Bayelsa State, Nigeria ( $\beta=0.59$ ,  $r=0.86$ ,  $p<0.005$ ). The evidence presents pro-activeness as a strong predictor of competitiveness of hotels in South-South of Nigeria. Statistically, it shows that when pro-activeness goes up by 1 standard deviation, competitiveness goes up by 0.59 standard deviation. In other words, when pro-activeness goes up by 1, competitiveness goes up by 0.86. The regression weight for pro-activeness in the prediction of competitiveness is significantly different from zero at the 0.005 level (two-tailed). The evidence suggests that the drive for change and demonstration of uniqueness impacts considerably on the hotels capacity for competition, and shows that characteristics which depict openness to change present the hotels as being high aggressive. Thus, Ho:1 was not supported.

The second hypothesis (Ho:2), states that there is no significant relationship between pro-activeness and adaptability. However, table 5 also suggests that pro-activeness has a positive and significant relationship with adaptability of hotels in the South-South of Nigeria ( $\beta=0.59$ ,  $r=0.94$ ,  $p<0.005$ ). This means that innovativeness is a good predictor of adaptability of hotels in Bayelsa State, Nigeria. Statistically, it shows that when innovativeness goes up by 1 standard deviation, adaptability goes up by 0.59 standard deviation. In other words, when innovativeness goes up by 1, competitiveness goes up by 0.94. The regression weight for innovativeness in the prediction of adaptability is significantly different from zero at the 0.005 level (two-tailed). Therefore, Ho:2 was not supported.

These results indicate that pro-activeness impacts significantly and is critical to the organizational survival of hotels in the Bayelsa State, Nigeria, and implies that pro-activeness drives the hotels ability to effectively function and operate despite the fluctuations and upheavals in its environment. In other words, pro-activeness imbues the hotels with a capacity to understand and align their functions with the dynamics and changes in their environment.

### Conclusions:

This study observed that the role of pro-activeness as an antecedent of organization survival, is necessitated by the pre-requisites of ideas, creativity, openness to change and confidence in decision-making as fundamental factors in business and entrepreneurship.

### Recommendations

In view of the findings and the position of this study with regards the relationship between entrepreneurial orientation and organizational survival of hotels in the South-South of Nigeria, this study recommends as follows:

- i. The quest for pro-activeness should stem from the organizations capabilities and its ability to sustain and manage such change functions, either by upgrading its systems or by acquiring the required expertise or techniques for its operations.
- ii. Oorganizations should allow for considerations of alternatives or diversification of interests with regards to investments or decisions.

### Contribution to Knowledge

This study contributes to the body of knowledge by providing a detailed assessment of the relationship between pro-activeness and organizational survival, using structural equations modeling (SEM) to provide strong evidence of goodness of fit. Thus, the study goes further by not only assessing correlations but also affirming the validity and structural fitness of the interaction between pro-activeness and organizational survival.

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