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The Role of Organisational Capabilities in the Competitiveness of Hotels in Southwest Nigeria

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Abstract.

Inadequate organisational capabilities have led to various problems for many hotels with a growing limitation in their ability to perform. Several studies relating to organisational capabilities and organisational performance have been conducted in the literature but none of these have investigated organisational capabilities as a predictor of competitiveness in the hospitality industry in Nigeria. This study therefore investigated the role of organisational capabilities in the competitiveness of selected hotels in South-west Nigeria. The study adopted cross-sectional survey research design. The population was 2,750 management and supervisory staff of 37 selected hotels in Southwest Nigeria. The sample size of 450 was determined using the Slovin sampling formula. A proportionate stratified sampling technique was employed to select the respondents. A structured and validated questionnaire was used to collect data. Cronbach's Alpha coefficients for all the constructs had an average of 0.728. The response rate was 77.3%. Data collected were analysed using descriptive and inferential (multiple and hierarchical regression) statistics. Findings from the study indicated that organisational capabilities had significant and positive effect on competitiveness at (Adj. R^2=0.337; $F_{(6,340)}$=30.251; p<0.05) of selected hotels in Southwest Nigeria. The study concluded that corporate culture, managerial knowledge, human capacity and innovation management are key resources for driving competitiveness of hotels in Southwest Nigeria.

Keywords: Competitiveness; Corporate culture; Human Capacity; Managerial knowledge; Innovation management; Organisational capabilities.

1. Introduction

The lack of relevant Organisational capabilities have led to various problems for many hotels, and this starts with a growing limitation on their ability to compete in the market place (Božič & Cvelbar, 2016). In spite of the huge potential in the hospitality industry, many hotels in Nigeria face the peculiar organisational capabilities challenges, where they are initially introduced to the marketplace with fanfare, begin to grow, mature and then steadily decline. Over the years, notable hotels suddenly become a shadow of themselves while hanging on to life, such as Premier Hotel – Ibadan, Bristol Hotel – Lagos, Federal Palace Hotel – Lagos, Hotel Presidential – Enugu, Ikoyi Hotel, Lafia Hotel – Ibadan, Circular Hotel – Ilorin, Central Hotel – Kaduna, just to name a few, and smaller ones have met with even harsher fate. Disruptive business models as a result of alternative accommodation and new entrants to the industry are creating stiff competition among hotels, and this is one of the leading causes of dwindling revenues (Linchpin Report, 2020). Hotels are facing increasing problems of competition partly due to over-supply of rooms when compared to what is demanded, thereby making it a buyer's market. For instance, Statista Report 2019 puts the annual occupancy level of hotels in Nigeria at 49.8% for 2018. This is a sub-optimal performance when compared to Kenya, South Africa, Mauritius, and Tanzania with between 66% - 72% annual occupancy. To overcome this, hotels must have critical selling points by developing competitive advantages, which differentiates them from one another. This argument is also advanced by Akaegbu and Usoro (2017); Altin, Uysal, and Schwartz (2018); Chen, et al (2019). Another problem why some hotels cannot compete is their lack of innovative products and services, which are meant to continually evolve to meet ever changing customer needs. Meanwhile, to create growth, to sustain performance and to develop performance in such a dynamic and ever-changing environment, one way is the investment in relevant and sustainable capabilities, as suggested in various studies by Keelson (2014); Masoomzadeh, et al (2019), to name a few.

Hotels are facing increasing challenges in revenue management according to Altin, et al (2018), and they attributed this to lack of outsourcing capabilities, which in turn affects their competitiveness. In the same vein, studies by Darsono, Yahya, and Amalia (2016), linked the absence of distinctive capabilities to problem of competitive advantages of the tourism industry in Aceh, Indonesia, while Liu and Yang (2018), established the challenges of competitive advantages which is faced by Small and Medium Enterprises (SMEs) in a volatile environment, as a result of capabilities issues. In Nigeria, Aigboje (2018), found that competitive aggressiveness was affecting the profitability of hotels in Port-Harcourt, because they lack the capacity to compete aggressively.

2. Literature Review

Organisational Capabilities

According to Grant (1991), organisational capabilities mean that firms' have the ability to deploy their resources such as tangible resources and intangible resources to perform an activity to enhance their performance. Organisational capability is often regarded as the outcome of thoughtful processes that business establishments create to thrive for competitive edge over rivals in the marketplace (Gupta, Dutta & Chen, 2014). Organisational capabilities refer to the combined skills and knowledge that a firm possesses, which enable it to coordinate activities and make use of their assets (Day, 1994). Organisational capabilities involve the combination, coordination and deployment of organisational competences, which are directed towards the strategic purpose of the organisation (Peppard, Lambert, & Edwards, 2000). Also, organisational capabilities may refer to the ability of a company to design and implement unique business programs and practices that give it competitive advantage (Lado & Wilson, 1994). Again, Helfat and Peteraf (2003) defined organisational capabilities as an organisational ability to perform a coordinated task, utilising organisational resources, for the purpose of achieving a particular end result. According to Smallwood and Ulrich (2004) organisational capabilities emerge when a company delivers on the combined competencies and abilities of its individuals. Capabilities give the firm competitive advantage, which fosters improvement of the organisation's success, both in the short-term and long-term (Newbert, 2008). Organisational capabilities may be considered as organisational core competences. Organisational capabilities enable a company to turn its technical know-how into results. The ability of an enterprise to operate its day to day business as well as grow, adapt, and seek competitive advantage in the market place. The notion of capability has been extended into that of dynamic capabilities (Eisenhardt & Martin, 2000). Furthermore, Kelchner (2016) sees organisational capability as the company's ability to manage resources, such as employees, effectively to gain an advantage over competitors. The company's organisational capability must focus on the business ability to meet customer's demand. Organisational capabilities aids in achieving strategic competitive advantage. This can be seen when an organisation creates new capabilities and develop existing ones, they tend to maintain advantage over competition.

In terms of characteristic, Organisational capabilities consist three elements such as strategic management capability, external stakeholder relation capability, and operational capability (Koufteros et al., 2014). According to Akaegbu and Usoro (2017), there are five essential capabilities for organisational success which are leadership, collaboration, adaptability, creativity and innovation. Moreover, capabilities can be sorted into three categories, depending on the orientation and focus of the defining processes. At one end of the spectrum are those that are deployed from the inside out and activated by market requirements, competitive challenges, and external opportunities. Examples are manufacturing and other transformation activities, logistics, and human resource management, including recruiting, training, and motivating employees. At the other end of the spectrum are those capabilities whose focal point is almost exclusively outside the organisation. The purpose of these outside-in capabilities is to connect the processes that define the other organisational capabilities to the external environment and enable the business to compete by anticipating market requirements ahead of competitors and creating durable relationships with customers, channel members, and suppliers.

Corporate Culture

Corporate culture consists of values, beliefs and standards affecting thoughts and behaviour of people in an organisation (Hitka, Vetrakova, Balazova, & Danihelova, 2015). Joseph and Kibera (2019) defined Corporate culture as the shared, basic assumptions that an organisation learns while coping with the environment and solving problems of external adaptation and internal integration that are taught to new members as the correct way to solve those problems. Corporate culture influences all the processes and outcomes related to individuals and the overall organisation which enhances its significance (Hafit, Asmuni, Idris, & Wahat, 2015). Organisations with good corporate culture are usually more successful than organisations with lack of corporate culture in as much as employees appreciate the same values and standards of behaviour (Stacho & Stachova, 2013).

Similarly, Nicolaides (2019) defined Corporate culture as the rules and norms that suggest a general solution to the problem and situation faced by members of the organisation. Organisation's culture refers to the value system and common beliefs of the members of the organisation (Agyemang-Badu & Appiah, 2017), symbols and artefacts (Awwad, Akroush, Zuriekat, & Masoudi,, 2019), or the perception process of the particular organisation (Abo-Murad, Al-Khrabsheh & Jamil, 2019). In an attempt to operationalise corporate culture, Sparre (2020) defined corporate culture as a pattern of shared values and beliefs that help individuals to understand the function of the organisation and behaviour norms. Serpa (2016) sees Corporate culture as “a shared way of being, thinking and acting in a collective and coordinated people with reciprocal expectations” (p. 51). Corporate culture is “the set of shared values, beliefs and norms that influence the way employees think feel and behave in the workplace” (Agwu, 2014, p. 1). Corporate culture is a system of shared values believed by members that distinguishes the organisation from other organisations (Sparre, 2020). This shared values system is a set of key characteristics upheld by the organisation.

Managerial Knowledge

According to Rivas (2015), managerial knowledge are the necessary abilities, roles and skills managers should possess about the organisation. This involves the following; creativity – ability to search and find new solutions; intuition – be able to predict future development from own experience without analysis; goal-oriented – be able to set real goals and respect the goal’s hierarchy; responsibility – sense for achieving set goals and objectives; self-confidence – belief in own strength and ability to achieve goals; initiative – an effort to look for new possibilities and solutions for reaching set goals; independence – the courage to make decision based on own judgment; cautiousness – be able to make decision under stress and when unsure.

Characteristically, Hecker (2012) stated that managerial knowledge is a complex system that consists of a large number of entities that display a high level of nonlinear interactivity systems: agents and their interaction; adaptability; self-organisation; instability; influence of history; permeable boundaries; and irreducibility. According to this principle, independently of the elements and/or individual agents that comprise this system, there exist interactions that alter the system over time. Through interaction the agents not only adapt but also self-organise in a process of survival, or better, of evolution. What happens in this process of evolution cannot be forecast; on the contrary, any situation or phenomenon might emerge. The principles of adaptability and self-organisation are intimately interrelated, since a complex system adapts through its processes of self-organisation.

Business Process

Business process refers to a method, procedure,

Practice or rule employed or followed by a company in the pursuit of its objectives. Business process may also refer to these collectively (Gohar & Indulska, 2019). Business process refers to any tactic or activity a business conducts to reach its objectives. Ultimately, the objective of a business is to make money. Business practices are the ways it attempts to do so in the most cost-effective way (Alghamdi, 2018). A company may have rules for business processes to ensure that its employees are efficient in their work and abide by applicable laws. An organisations business processes are embedded in the organisations through the introduction of comprehensive programmes and/or documentation tailored towards the organisation’s different needs, resources, and issues (Endres, 2018).

Due to its characteristics, Chang, Srirama and Buyya (2016) explained that business performance provided organisational control at the level of processes, tasks, activities and individuals. In this sense, organisations that implement it seek control of their processes, which makes process modelling an important predictor of government policies and accountability. Business performance represents the shift from a vertical and hierarchical hegemonic paradigm to a horizontal paradigm that integrates multiple business functions. This fact has justified the increased interest of researchers and consultants regarding the topic, which can be noted from the growing number of scientific articles and academic studies regarding business process. Business process contains information about financial and non-financial measurement. financial (sales growth, market share, return on assets (ROA), return on equity (ROE) and return on investment (ROI), non-financial (customer complain, customer satisfaction, employee turnover and service quality).

Human Capacity

According to Abel and Dietz (2012), human capacity is a collection of resources – all the knowledge, talent, skills, abilities, experience, intelligence, training, judgement, and wisdom – possessed individually and collectively by individuals in an organisation. These resources are the total capacity of the people that represents a form of wealth which can be directed to accomplish the goals of the organisation. Human capacity is also the stock of knowledge, habits, social and personality attributes, including creativity, embodied in the ability to perform labour, to produce economic value (Becker, 2009). Milèn (2001) states that capacity is a person's ability to do something to achieve the goals, resources, behaviour, motivation, relationships, and conditions that allow individuals, firms, sectors and the broader system to carry out their functions and attain development objectives set forth from time to time. The inclusion of human capacity in growth accounting treats increases in education as enhancing the productivity of individuals. Differential productivity is measured by how much higher earnings are for workers of different levels of education. That is, earnings ratios by education (e.g., college/high school graduates) are held constant and the fractions of workers with different levels of education are allowed to change from one year to the next.

Human Capacity is the process by which individuals, groups, organisations, institutions, and societies develop their abilities – both individually and collectively – to set and achieve objectives, perform functions, solve problems and to develop the means and conditions required to enable this process. Hchaichi and Ghodbane (2014) identified human capacity as innovation key deterministic factors to corporate competitiveness. Further, human capacity can be divided into three elements: the ability to attract talent, determination to maintain the capacity and enrich it by the experience of others and the concern to disseminate knowledge by sharing ideas.

Innovation Management

Innovation refers to the generation and/or acceptance of new ideas, processes, products, or services (Masoomzadeh et al, 2019). Chivandi, Chinomona and Maziriri (2017) defined innovation as a process according to which a new idea, perception, or invention is transformed or changed into a product or service, and customers do pay in exchange of that advancement or invention. Stojčić, Vojvodić and Butigan (2019) defined innovation as a potential new combination that results in radical breaks with the past, making a substantial part of accumulated knowledge obsolete. Innovation serves as a means of developing and sustaining core competencies through development of internal capabilities such as research and development (R&D) departments and strategized research scopes and investments (Karim-Suhag et al, 2017). An innovation can be a novel service or product, a new administrative organisation or structure, a new production process technology, or a new plan or program relating to organisational members. Hence, innovativeness is usually measured by the level of the acceptance of innovations, even though other measures have been used by a few studies (López-Cabarcos et al, 2019) It is crucial to realise the types of innovation and their features because a specific type of innovation requires unique and sophisticated responses from an organisation (Palladan, Abdulkadir & Chong, 2016).

The act of innovating by an organisation indicates its innovativeness and the organisations innovativeness can provide it with the capability to capture a substantial level of market share or create an entirely new market opportunity that enables a firm to reap supernormal profits. The slow response of competitors to organisations innovativeness yield competitive advantage to the firm (Kim, Kim, Sawng, & Lim, 2018). Innovativeness is a source of some advantage for the innovator where depending on the elasticity of demand, a combination of lower price and a higher mark-up than its competitors allow the innovator to gain larger market share and seek greater rent. Innovativeness is thus a primary source of wealth creation for an organisation (Olowoporoku & Falana, 2020).

Stakeholder Management

Stakeholder management largely accounts for the success of projects, particularly that of complex projects (Gangi & D'Angelo, 2017). Stakeholders can be defined as an individual or a group of individuals, who are influenced by or able to influence a project (Freeman, 2010). The strong cooperation of stakeholders is necessary for project success, since a project can be considered a temporary organisation of stakeholders pursuing an aim together. Mills (2016) indicated that the purpose of stakeholder management is to achieve project success through the continuing development of their interrelationships. Stakeholder management issues are very important in gaining business success in the tourism industry. The stakeholders of an organisation can be divided into primary stakeholders and secondary stakeholders, according to the relationship between their interests and the company. They can be also divided into the internal and the external stakeholders depending if they are those who are members of the company (Zhao, McCoy, Kleiner, Mills, & Lingard, 2019). Every organisation's stakeholder priorities are determined by organisation's conditions and vary from one organisation to another. In addition, these priorities can change within an organisation from time to time.

In terms of features, the stakeholder management, Nastran (2014) possesses some features that are premised on the efficiency of costs and on the resources, allocation contributes to make a progress in the understanding of modes through which an organisation may decide to manage its social responsibility. However, it is not sufficiently clear as to what extent the decision to invest internally in customer social responsibility (CSR) is connected with the stakeholder's needs that a company must prioritize. Also, the concept of stakeholder management depicts that the satisfaction of stakeholder groups can contribute to the legitimacy of a socially responsible organisational capabilities due to creation of an enlarged value.

Competitiveness

Competitiveness is a location's unit cost level, driving companies' ability to compete successfully on global markets (Ketels, 2016). In other words, competitiveness is a firm's capability to contest favourably among other competing firms and become successful in local and international markets. Further, Competitiveness is a location's productivity level, driving the standard of living the individuals in that location can sustain (Aiginger, 2015). Porter (2001) defined competitiveness as the ability of a given firm to successfully compete in a given business environment. Similarly, Darsono et al (2016) defined firm competitiveness as the ability of a firm to do better than benchmark companies in terms of profitability, sales, or market share. Further, López-Cabarcos et al (2015) considered competitiveness to be synonymous with a firm's long-run profit performance, its ability to compensate employees and generate superior returns for shareholders. In line with these definitions, this study will focus on the financial performance of a firm to measure its competitiveness. In general, the existence of good financial performance suggests that the firm is doing better in terms of competitiveness since profitable opportunities result in higher production and sales (Akben-Selcuk, 2016).

Corporate competitiveness can be defined as the ability of a firm to design, produce and market products greater than those offered by competitors (Wogwu & Hamilton (2018). Corporate competitiveness is described as the strength of an organisation in comparison with its competitors (Carayannis & Campbell, 2012). Iraldo, Testa, Lanzini and Battaglia (2017) describes corporate competitiveness as the capacity of an organisation to innovate key internal and external relationship for reputation and strategic assets. For an organisation to achieve corporate competitiveness, the organisation/entrepreneur must be able to manage its internal firm factors, external environment and the influence of the entrepreneur/organisation itself (Porter, Ketels & Delgado, 2007).

Kapitonov (2018), noted that in general, the process of assessing the competitiveness of an enterprise's potential consists of the following stages: Definition of the purpose of the competitiveness' assessment; selection of a group of competing enterprises, taking into account the possibility of obtaining the necessary primary information for the purpose of assessing competitiveness; definition of groups of competitiveness' key indicators, which are subject to evaluation; calculation of single, group, integral indicators of competitiveness for each enterprise; substantiation of the conclusion about the competitiveness' level of the evaluation object and development of measures aimed at improving or retaining competitive positions. As indicators for determining the competitiveness of an enterprise

indicators and characteristics such as product competitiveness, quality and reliability of products, the distinctive properties of goods, the image of the enterprise usually appear (Bergsteiner & Avery, 2012), the effectiveness of advertising and sales promotion methods, the competence and experience of personnel, environmental performance indicators, service efficiency. Most of the methods for assessing the company's competitiveness are based on applying different coefficients to analyse production activity, financial position, investment efficiency, and the like (Davis, 2016; Kryukova et al. 2016).

Hchaichi and Ghodbane (2014) identified human capital as innovation key deterministic factors to corporate competitiveness. They argue that human capital is central to the issue of non-price competitiveness and a firm is considered competitive if it mobilizes the most talented, best trained and most capable initiatives. Further, human capital can be divided into three elements: the ability to attract talent and to be a "human capital", determination to maintain the capital and enrich it by the experience of others and the concern to disseminate knowledge by sharing ideas. On innovation, companies are reflecting on innovation that is essential for their growth and development. Innovation is the ability to develop ideas, new methods and processes. More so, it creates differentiation capacity. Indeed, it allows them to increase their productivity, improve the quality of their products or their services and develop key skills. Innovation is a key factor in the competitiveness and profitability of companies and is therefore an essential element of business strategy (Hchaichi & Ghodbane, 2014).

Hypotheses Development

Ferreira, Coelho, and Weesma (2019), indicated in their empirical findings that innovation capability, managerial capability and strategic orientation affects competitiveness and performance, while the result by Elgohary (2019) shows that there is a significant relationship between enterprise resource planning (ERP) capabilities and competitive advantage of an organisation. Meanwhile, Liu and Yang were of the view that network resources needed to be leveraged with organisational capabilities in order to create competitive edges for SMEs. In order words, organisational capabilities alone are not sufficient. In another study, a different view to competitiveness was introduced by Aigboje (2018), where it was argued, that in order for hotels to compete, there is need for a measure of aggressiveness. The concept of distinctive capabilities as the basis of competitiveness of firms was advanced by Darsono et al (2016), and these distinctive capabilities are driven by the resource-based view concept. On the other hand, Kiseli, Senaji, and Eng (2016), concluded that it is the knowledge factors that significantly affects an organisation's competitiveness. Furthermore, Wogwu and Hamilton (2018) reveals that reconfiguration capability under the incorrect cause-effect parameters will in fact negatively affect the competitive position of the firm, while Babatunde and Adebisi (2012) held the view that competitive business is influenced by paying more attention to environmental scanning. Meanwhile, Ryzhkova and Prosvirkin (2015) offered an hypothesis to prove the argument that cluster initiatives is a competitive factor of modern enterprises by arguing that cluster facilitates the improvement of main factors of competitiveness, as it improves marketing, management information and technological component.

In view of the foregoing divergent results, the study has adopted the null hypothesis by stating that organisational capabilities have no significant effect on competitiveness of selected hotels in Southwest Nigeria – Ho_1

Operationalisation of Variables

In this study, there are two major variables – the independent variable, which was denoted by the big X, the dependent variable which was denoted by the big Y. There are six sub-variables of X, and one sub-variable of Y.

The variables of this study were thus operationalised as follows:

Y = f(X)

Y = Dependent Variable

X = Independent Variable

Where: Y = Business Performance

X = Organisational Capabilities

$Y = (y_1,)$

$X = (x_1, x_2, x_3, x_4, x_5, x_6)$

Where: y_1 = Competitiveness (CP)

And: x_1 = Corporate Culture (CC)

x_2 = Managerial Knowledge (MK)

x_3 = Business Process (BT)

x_4 = Human Capacity (HC)

x_5 = Innovation Management (IM)

x_6 = Stakeholder Management (SM)

Functionally,

$y_1 = f(x_1, x_2, x_3, x_4, x_5, x_6)$ …………………………Functional Relationship

Regresionally,

$y_1 = a_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \varepsilon_i$………………… Equation

a_0 = intercept of the model

$ß_1 – ß_{6\,=}$ coefficients of the independent variable

e = error term

The Research Model

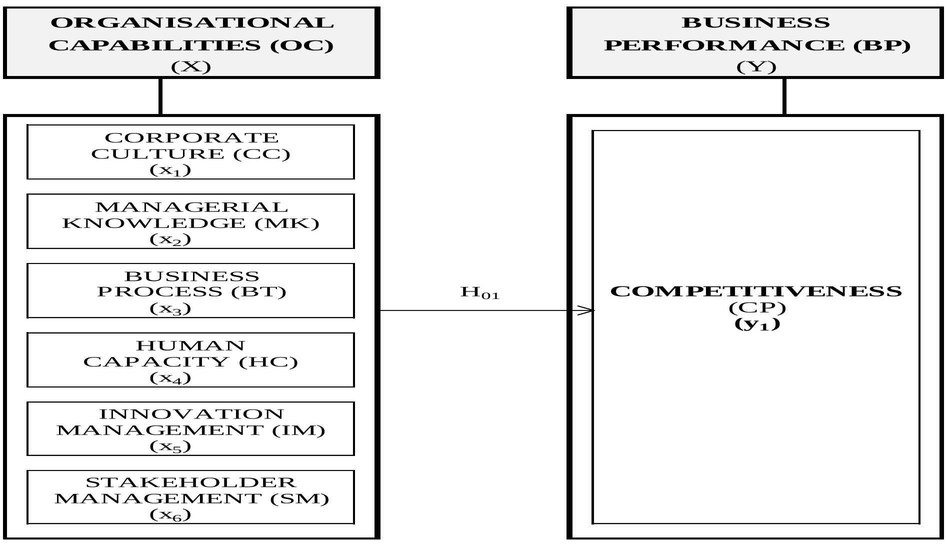

Figure 1: Researcher's Model – 2021

The conceptual model presented in Fig 1 presents the Independent and the Dependent variables used in this study. The Independent variable which is organisational capabilities is represented by X and its sub-variables corporate culture, managerial knowledge, business process, human capacity, innovation management and stakeholder management are represented by $\mathbf{x_1}$, $\mathbf{x_2}$, $\mathbf{x_3}$, $\mathbf{x_4}$, $\mathbf{x_5}$ and $\mathbf{x_6}$ respectively. The dependent variable, business performance is represented by Y with sub variable competitiveness, represented by $\mathbf{y_1}$, respectively. This showed the interaction between organisational capabilities sub-elements, that is corporate culture, managerial knowledge, business process, human capacity, innovation management and stakeholder management on market share of selected hotels. In other words, this gap model showed that organisational capabilities variables caused lack of competitiveness in selected hotels in Nigeria.

3. Methodology

The research design adopted for this study was a cross-sectional survey research design. Cross sectional survey collects data to make inferences about a population of interest (universe) at one point in time, thus it is a snapshot of the population about which the data is gathered. The survey research design was employed because it largely focuses on vital facts, beliefs, opinion, demographic information, attitudes, motives and behaviours of correspondent giving responses to the research instrument. According to Sincero (2012), the survey design elicits high representativeness as it provides a high level of general capability in representing a large population, in that due to the usual huge number of people who answers survey, the data being gathered possess a better description of the relative characteristics of the general population involved in the study. As compared to other methods of data gathering, surveys are able to extract data that are near to the exact attributes of the larger population. In addition, the study has adopted the survey design because it carries good statistical significance, and it is a convenient way of gathering data for a study with time limit like this one.

The target population for this study however are the 3-5 star hotels, which accounts for 174 hotels of this category in Southwest Nigeria (States Tourism Bureau, 2020). Out of this number, 37 (thirty-seven) hotels have been selected as the focus of the research. The 37 hotels had been purposively selected as they represent over 50% of the business in this hotel category in Lagos State, and over 70% of the business in the remaining Southwest States (Hospitality Institute Hotel Performance Report, 2019). The target population comprised two thousand, seven hundred and fifty (2750) management and supervisory staff of selected hotels in Southwest Nigeria (HAPSSA, 2019; Individual hotel list, 2020). The full list of these hotels is in Table 3.1 below. The hotels are spread across the Southwest geo-political zone of Nigeria, namely: Lagos State, Ogun State, Oyo State, Osun State, Ondo State and Ekiti States. Only three, four and five-star hotels are included in the population. The study only considered this category of hotels, because they possess the key attributes which were operationalised by the research variables and for which measurements were designed in the constructs of the questionnaire. This position is also supported by (Chivandi et al, 2017; Dewnarain et al, 2019; Gil-Padilla & Espino-Rodriguez, 2008) in their various studies on hotels. Moreover, these hotels are considered because they constitute the leadership of the hospitality sector in their states in terms of market share.

The study utilised mixed sampling technique, comprising purposive, stratified, random, and proportionate sampling. The hotels were purposively selected in each state of the Southwest, and they were then stratified into three-star, four-star and five-star categories. They were further stratified into senior management, middle management, lower management, and supervisory staff, and a proportionate sample size were allocated to each sampling unit. Finally, the specific respondents of 450 were randomly selected. The justification for choosing this sampling technique was that it increases the sampling precision during the process of dividing the population into strata. Further, stratified random sampling technique provides better coverage of the population since the researcher has control over the subgroups to ensure all of them are represented in the sampling. Moreover, the benefits of randomisation is that it is free from errors in classification, it is suitable for data analysis which includes the use of inferential statistics, it is representative of the population, it is totally free from bias and prejudice. Accordingly, the hotels were randomly selected in each state of the Southwest, and a proportionate sample size was allocated to each unit of analysis. Other scholars who used the stratified random sampling techniques in their studies include Bello, Ologbenla, Opele, and Lawal (2019); Ghazi, (2016); Ko and Yuan (2019); Kogo and Kimencu (2018); Onyijen et al (2019).

3.1 RESULT, ANALYSIS AND DISCUSSION (Summary of Primary Data Collection)

Table A: Sampling Frame Distribution

SW State	S/No	Hotel	Proportionate sample	Sample Percent %
Lagos	1	Sheraton Lagos Hotel	32	7.1
	2	Eko Hotels & Suites	35	7.7
	3	Lagos Oriental Hotel	23	5.1
	4	Federal Palace Hotel & Suites	29	6.4
	5	Radisson Blu Anchorage Hotel	21	4.6
	6	The Wheatbaker Hotel	14	3.1
	7	Four Points by Sheraton	24	5.3
	8	Protea Hotel by Marriot, Ikeja	14	3.1
	9	Ibis Lagos Ikeja Hotel	11	2.4
	10	Legend Hotel Lagos Airport	22	4.9
	11	The George Lagos Hotel	14	2.9
Ogun	12	Park Inn by Radisson	17	3.8
	13	Conference Hotel, Shagamu	9	2.0
	14	Babcock Guest House	5	2.0
	15	Conference Hotel, Ijebu Ode	12	2.6
	16	Green Legacy Resort	9	2.0
	17	Continental Suites & Cinema	8	1.8
	18	IBD International Hotel	12	2.6
Oyo	19	Premier Hotel	17	3.8
	20	Golden Tulip	7	1.5
	21	Carlton Gate Exclusive Hotel	8	1.8
	22	Owu Crown Hotel	7	1.5
	23	Ilaji Hotels & Sports Resort	8	1.8
Osun	24	Western Sun International	7	1.5
	25	Ideal Nest Hotel	6	1.3
	26	Delightsome Hotel & Resort	7	1.5
	27	Royal Park International Hotel	7	1.5
	28	Aenon Hotel & Suites	6	1.3
Ondo	29	Royal Birds Hotel & Towers	5	1.1
	30	Sunview Hotel	6	1.3
	31	Heritage Continental Suite	7	1.6
	32	Grand Capital Hotel	7	1.5
	33	Groovy Hotel Ijapo Gate	5	1.1
Ekiti	34	Ikogosi Warm Spring Resort	12	2.4
	35	Delight Hotel & Suites	5	1.1
	36	Fountain Hotel	7	1.5
	37	Bon Hotel Ekiti	5	1.5
	Total		**450**	**100.0**

In order to determine the sample size for the study, Slovin (1992) formula was used. The reason for adopting this formula is that it provides accurate result of the necessary sample size that will be adequate for the research study since the population for this study is a finite one. Also, adopting this formula increases the level of precision and the confidence level of making lesser risk in determining the actual sample size necessary for the study.

Applying the formula where:

= sample size

Confidence level = 95%

= Finite population size which is 2,750 that is, total number of personnel within the population.

= Maximum acceptable error margin which is 5%

The figure of 450 samples was arrived at using Slovin's formula as follows:

$$n = \frac{N}{1 + (N\, x\, e^2)}$$

Where: n = sample size

N = Population size (i.e total staff strength of the selected hotels)

e = Desired error margin, expressed as a decimal: (i.e 0.05 for 5%)

Thus:

N = 2,750

e = $(0.05^2) = 0.0025$

Therefore: $\frac{2,750}{1+(2,750*0.0025)} = \frac{2,750}{1+6.9} = \frac{2,750}{7.9} = 348$

Allowing 30% for non-response: (348 * 1.3) = 450

Adjustment of 30% was made for non-response in order to make up for any shortfall that may occur (Zikmund, 2000).

From the above computation, the sample size derived for this study, using Slovin (1992) formula was three hundred and forty-eight (348) elements, and four hundred and fifty (450) elements after making provision for 30% non-response.

For the purpose of this study, primary data was employed. As a method for data collection, it was established from literature that most authors utilised primary data due to the originality of the data and its ability to answer questions related to people's attitudes, intentions and behaviours. Also, primary data directly addressed the topic and provided information that was unavailable elsewhere and allowed the researcher to design his/her own experiment. The data was collected with the aid of a questionnaire that is properly drafted, using six Likert-type scale. The questionnaire was utilised because it has the following advantages; it allowed for large number of information to be collected from a large number of people in a short time period; the results of the questionnaire can be quickly and easily quantified by the researcher; it can be analysed scientifically and when the data has been quantified, it can be used to compare and contrast other researches.

The data gathering instrument which was employed for this study was an adapted and structured questionnaire. The purpose of using a questionnaire for a survey is because of the direct response, feedback and the literacy level of the proposed respondents. For the purpose of this study, the questionnaire consisted of four sections, I, II, and III. Section I covers the information about the respondent's bio data, which includes; Gender, Age, Marital status, Job ranking, Length of Service, Functional area, Highest academic education, Nationality, Hotel rating, and State location. Sections II and III elicited responses from respondents in order to provide solutions to the research questions. Accordingly, Section II consisted of 6 sub-sections covering organisational capabilities variables namely (i) corporate culture (ii) managerial knowledge (iii) business process (iv) human capacity (v) innovation management, and (vi) stakeholder management; while section III covered business performance, measured in terms of (i) competitiveness. The scales are 6(Very High), 5(High), 4(Moderately High), 3(Moderately Low), 2(Low) and 1(Very Low).

The research instrument was evaluated for content and construct validity. The questionnaire contents included the use of appropriate vocabulary, sentence structure and whether the questions are suitable for the intended respondents. To achieve this, a draft questionnaire was developed. For establishing content validity, copy of the drafted questionnaire were given to experts in business management and entrepreneurship for validation. This was done in order to obtain their general comments and necessary suggestions on the adequacy and sequence of the questions. Also, the questionnaire was submitted for the opinion of top management staff of key hotels. To further improve content validity, a principal component factor analysis was used to check the sampling adequacy. The common measures of sample adequacy are Kaiser-Meyer-Olkin measures (KMO) and Bartlett's Test of Sphericity. These two tests were used in this study to test the significance of the variables. Furthermore, since the items in the instruments were adapted from various sources in the literature, these tests were appropriate to validate the survey items, and determine if any, underlying structures existed for each of the variables. A Kaiser-Meyer-Olkin acceptable value for a factor to be significant range from 0 to 1 and an index of above 0.5 is very good. The Bartlett's Test of Sphericity relates to the significance of the study as regards the validity and suitability of the factors for a particular study. The Bartlett's Test of Sphericity acceptable index must be less than 0.05. The results of the Kaiser-Meyer-Olkin measures (KMO) and Bartlett's Test of Sphericity on the validity and suitability of the variables is shown in Table B.

Table B: Principal Components Factor Analysis for Validity of Variables

S/N	Variables	No. of Items	KMO	Bartlett's Test of Sphericity	Sig.
1	Corporate Culture	5	0.738	86.319	0.000
2	Managerial Knowledge	5	0.727	84.377	0.000
3	Business Process	5	0.722	38.968	0.000
4	Human Capacity	5	0.787	87.386	0.000
5	Innovation Management	5	0.799	72.331	0.000
6	Stakeholder Management	5	0.611	25.434	0.000
7	Competitiveness	5	0.711	66.662	0.000

The research instrument was also subjected to construct validity. Construct validity of the instrument was assessed by convergent and divergent validity. Convergent validity is often used to measure the correlation of a dimension's multiple indicators (Lee & Chen, 2013). Convergent and divergent validity of the constructs were using Average Variance Extracted (AVE) and composite reliability (CR), respectively as suggested by Garson (2016). Composite reliability should be ≥0.7 (Lee & Chen, 2013) while AVE coefficient should be ≥0.5 (Garson, 2016). In the case where any of the construct falls short of any of this minimum standard, adjustments were made. Items having the minimum effect on the construct falling short of any of the criteria were deleted. This process continued until all the constructs met the minimum requirements of each of the tests. This is shown in Table C.

Table C: Results of Convergent and Divergent Validity Analysis

S/N	Variables	Composite Reliability	Average Variance Extracted (AVE)
1	Corporate Culture	0.867	0.750
2	Managerial Knowledge	0.860	0.737
3	Business Process	0.887	0.781
4	Human Capacity	0.874	0.758
5	Innovation Management	0.866	0.749
6	Stakeholder Management	0.856	0.737
7	Competitiveness	0.839	0.709

Source: Pilot Study, SPSS Output 2020

Table C shows results of Average Variance Extracted and composite reliability of all the constructs. On Table C, it could be seen that all the constructs have a composite reliability coefficient greater than 0.7 and also met the minimum benchmark for AVE which is 0.5 (Tabachnick & Fidell, 2013). This means that the data collected are valid.

Cronbach alpha was used to determine the internal reliability of the items in the questionnaire in this study. Cronbach coefficient alpha was used to determine the reliability of each variable. The questionnaire is considered reliable if the Cronbach‘s Alpha coefficient is greater than 0.70 (Katou, 2008). The 7 independent and dependent variables were subjected to reliability test using SPSS software. The recommended value of 0.7 was used as a cut–off of reliability for this study and the results obtained are shown in Table D.

Table D: Reliability Statistics

Variables/Constructs	Number of Items	Previous Authors' Cronbach's Alpha	Researcher's Cronbach's Alpha
Corporate Culture	5	0.786	0.806
Managerial Knowledge	5	0.885	0.793
Business Process	5	0.696	0.784
Human Capacity	5	0.869	0.817
Innovation Management	5	0.826	0.805
Stakeholder Management	5	0.782	0.796
Competitiveness	5	0.674	0.759
Overall Reliability	35		0.932

Results in Table D show that the overall alpha for instrument was 0.932 which is more than the minimum acceptable score of 0.7 as decided in the study. This means that the questionnaire was reliable for research.

The data was analysed with the use of both descriptive and inferential statistical methods. Descriptive statistical analysis was used to present demographic data and inferential statistical technique was used to evaluate the relationship between the variables. The first part entails the descriptive analysis of the respondents' profile and other related aspects. This involves coding and editing of data, identification and treatment of missing data, outlier examination including univariate and multivariate examination, handling of normality, homoscedasticity, multicollinearity and non-response biasness. Descriptive statistics was useful for this study because it helps the researcher to summarise group of data using a combination of tabulated description (i.e., tables), graphical description (i.e., graphs and charts) and statistical commentary (i.e., a discussion of the results). The second part involved the analysis of collected data, using multiple and hierarchical regression techniques. Multiple regression was used to measure the effect of independent variable on the dependent sub-variables. As the tool of statistical analyses, multiple regression is justified as it enables the researcher with the ability to determine the relative influence of one or more predictor variables to the criterion value, and also to identify outliers, or anomalies, where the task is to determine the impact of several independent variables on one dependent variable. To carry out these analyses, the Statistical Package for Social Sciences (SPSS) software was employed to measure the direct effect of organisational capabilities drivers towards market share of hotels in Southwest Nigeria. Analysis was done on the effect of the variables of organisational capabilities on business performance variables. The R^2 value and the Beta (β) coefficient as well as its significance was analysed and examined on all of the dimension's relationships.

Findings

A total number of 450 copies of questionnaire was administered to the respondents and 348 (77.3%) were returned and found usable for the analysis. The analysis was carried out using the Statistical Package for Social Science (SPSS) version 21.

Table E: Breakdown of Questionnaire Administration

Questionnaire Distribution		
Particulars	**Frequency**	**Percentage (%)**
Completed and Usable copies of questionnaires	348	77.3
Not returned/Declined filling	70	15.6
Invalid/Incomplete	32	7.1
Total	**450**	**100.0**

Table E provides a descriptive analysis of the administered copies of questionnaire. From the 450 copies of questionnaire distributed, 348 which sums up to 77.3% of the respondents were duly completed and found usable for the analysis. 70 copies of the questionnaire representing (15.6%) were either declined or not returned at all, while 32 copies which is (7.1%) of the questionnaire copies administered were incomplete and thus rendered invalid for analysis. Furthermore, two hotels out of the 37 hotels originally chosen for this study suddenly pulled out of the exercise, citing no reasons. These were Lagos Airport Hotel, Lagos, Green Legacy Hotel Abeokuta, Western Sun International Oshogbo, and Sunview Hotel Akure. Gladly, these hotels were appropriately substituted with comparable hotels, namely Radisson Blue Ikeja Lagos, Conference Hotel, Abeokuta, Royal Continental Suites & Apartment Oshogbo, and Midas Hotel & Arena, Ado-Ekiti, respectively.

Table F: Summary of multiple regression analysis on significant effect of Organisational Capabilities and Competitiveness of selected Hotels in Southwest Nigeria.

<table>
<tr><th>N</th><th>Model</th><th>B</th><th>Sig.</th><th>T</th><th>ANOVA (Sig.)</th><th>R</th><th>Adjusted R^2</th><th>F (6,340)</th></tr>
<tr><td rowspan="9">348</td><td>(Constant)</td><td>1.557</td><td>.000</td><td>6.475</td><td rowspan="5">0.000^b</td><td rowspan="5">0.590^a</td><td rowspan="5">0.337</td><td rowspan="5">30.251</td></tr>
<tr><td>Corporate Culture</td><td>.172</td><td>.008</td><td>2.685</td></tr>
<tr><td>Managerial Knowledge</td><td>.301</td><td>.000</td><td>4.267</td></tr>
<tr><td>Business Process</td><td>.103</td><td>.084</td><td>1.731</td></tr>
<tr><td>Human Capacity</td><td>-.251</td><td>.001</td><td>-3.281</td></tr>
<tr><td>Innovation Management</td><td>.154</td><td>.014</td><td>2.479</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Stakeholder Management</td><td>.116</td><td>.052</td><td>1.953</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="8">Predictors: (Constant), Corporate Culture, Managerial Knowledge, Business Process, Human Capacity, Innovation Management, Stakeholder Management</td></tr>
<tr><td colspan="8">Dependent Variable: Competitiveness</td></tr>
</table>

Table F reveals the result of the multiple regression analysis which examined the effect of organisational capabilities (corporate culture, managerial knowledge, business process, human capacity, innovation management and stakeholder management) have on the competitiveness of selected hotels in Southwest, Nigeria. The results showed that corporate culture ($\beta = 0.172$, $t = 2.685$, $p<0.05$), managerial knowledge ($\beta = 0.301$, $t = 4.267$, $p<0.05$) and innovation management ($\beta = 0.154$, $t = 2.479$, $p<0.05$), have positive and significant effect on the selected hotel competitiveness while business process ($\beta = 0.103$, $t = 1.731$, $p>0.05$) and stakeholder management ($\beta = 0.116$, $t = 1.953$, $p>0.05$) have a positive but insignificant effect on the hotel competitiveness while one of the variables, human capacity ($\beta = -0.251$, $t = -3.281$, $p<0.05$) does have a negative and significant effect on competitiveness of selected hotels in Southwest, Nigeria. The results of the analysis revealed that three of the dimensions of organisational capabilities (corporate culture, managerial knowledge, and innovation management) have a positive and significant effect on competitiveness of selected hotels in Southwest, Nigeria. This implies that, corporate culture, managerial knowledge and innovation management should be closely given attention. Similarly, human capacity negatively and significantly affects the competitiveness of the hotels. While the remaining two variables (business process and stakeholder management) though positive showed an insignificant effect on the competitiveness of the hotel. The correlation coefficient of R = 0.590 shows that a moderately strong positive relationship exists between the sub variables of organisational capabilities and competitiveness of the sampled hotels. The coefficient of multiple determination, Adjusted R^2 is 0.337 indicating that organisational capabilities explain about 33.7% of the changes in the competitiveness of selected hotels in Southwest, Nigeria while the remaining 66.3% could be attributed to other factors not included in this model. Also, the F-statistics (df = 6, 340) = 30.251 at p = 0.000 ($p<0.05$) indicates that the overall model is significant in predicting the effect of organisational capabilities on the hotel's competitiveness. This means that organisational capabilities have a significant effect on the competitiveness of selected hotels in Southwest Nigeria. The multiple regression model is expressed as thus:

CP = 1.557 + 0.172CC + 0.301MK - 0.251HC + 0.154IM ……… equation

Where:

CP = Competitiveness

CC = Corporate Culture

MK = Managerial Knowledge

HC = Human Capacity

IM = Innovation Management

The regression model shows that holding organisational capabilities sub variables to a constant zero, competitiveness would be 1.557 implying that without organisational capabilities, competitiveness of the selected hotels in Southwest, Nigeria would still be somewhat positive. The results of the multiple regression analysis indicate that when corporate culture, managerial knowledge and innovation management are improved by one unit, competitiveness would positively increase by 0.172, 0.301 and 0.154 respectively. On the other hand, if human capacity is improved by one unit, competitiveness will reduce by 0.251 unit. This implies that an increase in corporate culture, managerial knowledge and innovation management would lead to an increase in the competitiveness of selected hotels in Southwest, Nigeria. The result shows an overall statistical significance with $p<0.05$ which implies that organisational capabilities sub variables with particular emphasis on corporate culture, managerial knowledge, innovation management and human capacity are important determinants of the competitiveness of selected hotels in Southwest, Nigeria. The result suggests that hotels should pay more attention towards improving the corporate culture, managerial knowledge, innovation management and less attention towards spending on human capacity in order to increase the competitiveness of the selected hotels in Southwest, Nigeria.

Therefore, the null hypothesis (H_{01}) which states that organisational capabilities have no significant effect on competitiveness of selected hotels in Southwest, Nigeria was rejected.

Discussion of Findings

Hypothesis one was tested to establish the effect of organisational capabilities dimensions on competitiveness of selected hotels in Southwest, Nigeria. The results revealed that organisational capabilities, as a whole, has significant and positive effect on competitiveness of selected hotels at (sig = 0.000, $p < 0.05$). Interestingly, while organisational capabilities showed clear evidence of significant and positive impact on competitiveness of selected hotels, its sub-variables showed mixed findings. Whereas corporate culture, managerial knowledge, and innovation management all reported significant and positive impact on competitiveness ($p < 0.05$), business process and stakeholder management showed positive but insignificant impact ($p > 0.05$). Human capacity on the other hand revealed a negative, though significant effect on competitiveness ($\beta = -0.251$, $p < 0.05$), suggesting that more investment is made in human capacity, the less the returns derived in competitiveness.

The relative outcomes of the different sub-variables did not come as a total surprise to the researcher because the review of extant literature had posited that multiple regression enables the researcher with the ability to determine the relative influence of one or more predictor variables to the criterion value, and also to identify outliers, or anomalies, where the task is to determine the impact of several independent variables on one dependent variable. This study is a classic example of how multiple regression is expected to behave. Nevertheless, nothing could prepare the researcher for the realisation that human capacity could have significant but negative effect on competitiveness of selected hotels in Southwest Nigeria, when it is considered that the industry is that of personal services. This is indeed an eye opener and an outlier, and one is unable to tell what contribution the Covid-19 pandemic may have had on this particular element of the results. However, if we consider competitiveness to be synonymous with a firm's long term profit performance, its ability to compensate employees and generate superior returns for shareholders (López-Cabarcos, 2015), one may argue that competitiveness is the raison d'être for hotels, as is eminently espoused in the theory of the firm where profit maximising is the core motivation. To that extent, their culture, the intrinsic and extrinsic knowledge of managers, the quality and conditions of service of the staff, and the way and manner innovation is brought into the development and deployment of products and services, play a significant role in their competitiveness.

In terms of theory, this study is anchored on Dynamic Capability theory, and while resource based-view theory is all about how a firm can achieve competitive advantage, dynamic capability theory is more concerned about short term competitive advantage that can be used to build longer term competitive advantage (Lim et al, 2012). Flowing from the theory therefore, hotels must have certain capabilities which confer on them short-term competitive advantages among rivals in the same market and which could be transformed into long term competitiveness. In this vein, the findings from the test of hypothesis one (H_{o1}) had clearly shown that, in order to remain competitive, hotels have to take seriously the acquisition of capabilities in the area of corporate culture (the organisation's current custom traditions, and general ways of doing things), managerial knowledge (managerial insights, experience, and best practices of the firm by which business units are governed), innovation management (the science and practice to stimulation and effective management of innovations and innovation process), and human capacity (all the knowledge, skills, abilities, experience, intelligence, training, judgement and wisdom, possessed individually and collectively in the organisation), as these impact significantly and positively on competitiveness.

It should become apparent when it is recognised that the review of the findings by previous authors had spoken to the idea of an incongruence in findings which makes these works to be profound and scholarly stimulating. For instance, in exploring organisational capabilities and its effect on competitiveness, Elgohary (2019); Ferreira et al. (2019); Kiseli, Senaji, and Eng (2016); Liu and Yang (2018); Nurdasila, Afrida and Rizki (2016); Seyham et al., (2017), in their different findings reveal that marketing capabilities, market-linking capabilities, information technology capabilities and management related capabilities as dimensions of strategic capabilities have a positive effect on competitiveness of an organisation. In similar vein, Abo-Murad, Al-Khrabsheh and Jamil (2019) indicated in their findings that organisational culture influenced crisis management practices in Malaysian hotels, while Kiseli, Senaji and Eng (2016) reported that knowledge management factors significantly affect an organisations's competitiveness. Meanwhile, Ogunkoya et al., (2014); Wogwu and Hamilton (2018), revealed that there is no significant relationship between dynamic capabilities (as measured by uniqueness and creativity) and competitiveness as there was a weak, negative correlation between the two variables. The study implies that the ability of a firm to be able to produce unique and creative goods/services does not guarantee the organisation to edging its competitors in the industry, and that deploying reconfiguration capability under the incorrect cause-effect will negatively affect the performance of the firm.

It is therefore interesting to note that this study agrees with those of the other studies indicated above that management related capabilities, such as corporate culture, managerial knowledge, and innovation management all have positive and significant impact on competitiveness of selected hotels in Southwest Nigeria. However, business process and stakeholder management did not show significant impact, even though they were also positively correlated. However, if we take innovation management as a way of maintaining uniqueness and creativity, this study offers a contrasting view to that of Ogunkoya et al., (2014), Wogwu and Hamilton (2018), as the results showed that innovation management had a positive and significant effect on competitiveness of selected hotels. This did not represent a dispute in findings, because different meanings could be assigned to what is meant by competitiveness at one instance, and competitive advantage at the other.

By and large, the problems associated with competitiveness right from the onset, and which served as part of the warrant for this study are disruptive business models, as a result of alternative accommodation, problem of competition partly due to over-supply of rooms with respect to demand, lack of differentiation in products/services, lack of innovative products/services, and challenges in revenue management due to transaction cost economics. Judging by these findings, the result is that corporate culture, managerial knowledge, human capacity, and innovation management, are the capabilities required to tackle the problems hitherto identified, and this can also be represented regressionally by the expression: $CP = 1.557 + 0.172CC + 0.301MK - 0.251HC + 0.154IM$

To summarise, from the foregoing discussion, strong evidence exists to support the argument that taken together, organisational capabilities dimensions have statistically significant and positive effect on competitiveness of selected hotels in Southwest, Nigeria, albeit with varying degrees of correlation, as shown by the foregoing conceptual, theoretical, and empirical evaluation of the findings.

4. Conclusion

The study recognised from literature what the problem posed by competitiveness had been to the hotel industry. This was characterised by many factors including disruptive innovation in alternative accommodation, problems of competition brought by over-supply of rooms relative to supply, lack of sufficient differentiation and innovation in products and services, and challenges posed by revenue management outsourcing. The careful examination of these problems led the researcher to consider the role that organisational capabilities could play in addressing them. Organisational capabilities are dynamic resources that hotels could use to solve business performance issues, of which competitiveness had been one of those identified. The specific objectives of the study therefore is to identify the effect of organisational capabilities on competitiveness of selected hotels in Southwest Nigeria. The research question was asked, and relevant hypothesis was formulated in line with this specific objective. Results from hypothesis one (Ho_1) showed that organisational capabilities had significant effect on competitiveness, and this is in line with our A priori expectation to reject the null hypothesis. Thus, hotels should appreciate the impact of corporate structure, managerial knowledge, human capacity, and innovation management, on their business to achieve good occupancy rate, penetrate their distribution channel, maintain a good revenue-per-available-room ratio, increase layover rate, and reduce labour turnover rate.

The findings of Multiple Regression analysis suggested that when Corporate Culture, Managerial Knowledge and Innovation Management were improved by one unit, Competitiveness would positively increase by 0.172, 0.301 and 0.154 respectively. On the other hand, if Human Capacity is improved by one unit, competitiveness will reduce by 0.251 unit. This implied that an increase in corporate culture, managerial knowledge and innovation management would lead to an increase in the competitiveness of selected hotels in Southwest Nigeria. Thus, Organisational Capabilities had a statistically significant effect on competitiveness at a significant (sig = 0.000, $p < 0.05$), Adj. $R^2 = 0.337$ and t-statistic = 6.475. This implied that if the installation of a good corporate culture, requisite managerial knowledge, human capacity, and innovation management practices were in place in those hotels, they would enhance their competitiveness in the hospitality industry.

The respondents to the questionnaire of this research are all in the senior, middle, lower, and supervisory management cadres, so they fully understand the imperatives of the subject matter. The function of management transcends merely planning, organising and controlling. It extends to strategy making to remain competitive. Organisational capabilities are the dynamic resources that managers need to thoroughly understand and utilise to propel their firms towards the maintenance of competitive advantages and superior business performance. Hotel business is the mainstay of the overall tourism eco-system, and is responsible for about 2% of Nigeria's gross domestic product as at 2019, and is also a major driver in the construction industry, with multiplier effect on the supply chain of numerous products and services. The industry is a fairly mature one, though the advent of 4-5star hotels into the Nigerian hospitality market began to happen only in the last 35-40 years. Because they cater to and are largely catered for by people directly, hotels are generally vulnerable businesses, in the sense that they are the first to get hit in the event of any public disharmony such as, civil unrest, terrorism, general trade union strikes, economic depression, and public health issues like Corona virus pandemic. Hotels in Nigeria must therefore find new ways to evolve by adopting key organisational capabilities which they could employ in and out of season for effective business performance.

The study contributes to the growing literature on organisational capabilities and form part of the resources that could be drawn on and built upon by potential researchers in higher institutions of learning and the general society of Nigeria. It is also a good resource for anyone aspiring to go into or invest in the hotel business. As a personal service-driven industry, hotel is a critical player as far as job creation strategy is concerned. The image ofthe country and by extension her brand, are not only being monitored by foreign embassies, but also by foreign travellers who often of necessity have to stay in hotels. Many businesses and individuals in Nigeria rely upon and even leverage the facilities and services being provided by hotels for their own ultimate performance. These are the reasons why government should be interested in the business of hotels and how relevant and informed policy could impact positively on the economic performance of that industry.

Limitation of the Study

As much as the efforts made in this study to provide new perspectives on the subject of organisational capabilities and how it affects business performance, issues exist which may limit the generalisation of its findings. The methodology allowed for the findings to be biased by researchers' perspective. However, the researcher was aware of this and therefore had made efforts to be neutral and objective. That is, the researcher did not attempt to influence findings of the study. People may read differently into each question and therefore reply based on their own interpretation of the question – that is, what is 'good' to someone may be 'poor' to someone else, therefore, there is a level of subjectivity that was not acknowledged. In the same vein, the methodology allowed for some level of the researchers' imposition, meaning that when developing the questionnaire, the researcher made their own decisions and assumptions as to what was and was not important and therefore, they may have missed something that was of importance. To mitigate this, the researchers had considered some parameters that were most needed and had made sure to use the right ones that were most important to the study.

4.1.1 Suggestion for Further Studies

To achieve improvements and overcome the limitation of this study, the researcher suggests the need for further investigations as follows:

i. This study employed the use of cross-sectional survey research design, and by implication captured the essence of the moment in time. It is very logical that a new study with the same or different design may reveal different essence of the phenomenon at that time.

ii. Further studies should consider investigations into hotels from other geo-political zones, or other industries as well as government parastatals, educational and health institutions.

iii. A comparative study should be embarked upon to consider the concept of organisational capabilities and its effect on business performance between two different industries or two different countries.

iv. There is also the need for further study using other constructs or other types of analytical techniques to evaluate research variables.

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