# INVESTIGATING ORGANISATIONAL CAPABILITIES AND MARKET SHARE OF HOTELS IN SOUTHWEST NIGERIA

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## Abstract

Business performance is fundamental to businesses as the key objective is profit making. Many hotels in Nigeria face the peculiar organisational capabilities challenge which ultimately leads to a loss in market share. This study therefore investigated the effect of organisational capabilities on market share 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 0.734. 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 market share at (Adj. $R^2$=0.515; $F_{(6,340)}$=62.239; $p$<0.05) of selected hotels in Southwest Nigeria.

The study concluded that corporate culture, managerial knowledge, business process, human capacity, and stakeholder management are key resources for driving market share of hotels in Southwest Nigeria.

**Keywords:** Corporate culture, Business process, Human capacity, Managerial knowledge, Market share, Organisational capabilities, Stakeholder management

**Word Count**: 189

## 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.

Gaining respectable market share has become a tug of war among hotels (Ali & Ahmed, 2019). Market share is gained by improved occupancy percentages or a higher that average tariff, or both. Whereas many of them have published tariffs, it is common knowledge that they undercut themselves by offering lower rates across the counter (Fitzgerald & Priolo, 2018). According to Price Waterhouse Report, Occupancy among 3-4 star hotels in particular (the focus of this study), had been declining over the years, from 63.7% in 2013, to 57.3% in 2014, and down to 51.0% in 2015, and further down to 49.7% in 2016 and 48.7% in 2017 (PWC Hotels Outlook: 2019 – 2023). This trend is a vivid indication that these hotels are losing their market share to rival segments. Organisational capabilities such as innovation, supply chain management, research & development and marketing have been found to have strategic effect on a firm's market share (Shaligram, 2014). Furthermore, there is the issue of brand equity erosion, as shown from studies in the sense that while brands experience growth in market share in the first four years, this however becomes flat thereafter (Fitzgerald & Priolo, 2018). The problem occurs because firms acquire customers by temporarily offering low markups, as indicated above with hotels in Nigeria, and later raise markups once customers are locked in. The fundamental problem therefore, is how to build a reasonable market share and sustain it, and that in building it, how to maintain the delicate balance between occupancy on one hand, and prices on the other.

## 2. REVIEW OF LITERATURE

### 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, 2014). 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.

**Market Share**

Market share of an organisation is the number of buyers and sellers of the organisation in a given market (Shaligram, 2014). Market share is defined as the approximate number of people an organisation is selling / intends to sell their products and services as defined by the total volume of buyers in the market (Guadalupe, 2012). A market's size and characteristics have been primary indicators of any company and industry's health since the early twentieth century. Understanding changes in such markets is an important element of any company's ability to perform profitably and productively, whereby Daneshgari and Moore (2016) defined market share as a measure of the performance of an organisation relative to its competitors in a particular industry. For any organisation to develop a strategy that will allow it to expand or recover its own share of the market, the entire economic market size and its trends must first be correctly and consistently recognised and compared using a common definition. They further argued that change in the market share is very often impacted by shifts in the market, customer needs and expectations, whereby when the markets change the paradigms change, which forces the organizations to adopt the change or vanish.

Market share refers to the annual business volume in currency or in number of transactions. All other factors remaining constant, the larger the markets share of an organisation, the better for the organisation. If the market is too small, there will not be enough sales available to cover start-up, capital, and operating costs. Conversely, if the market share is quite large, the organisation will be able to cover its expenses and be competitive (Fitzgerald & Priolo (2018). There are two factors needed to be looked at when assessing market share, these are the number of potential customers and the value of the market. The definition of a potential customer will depend on the type of business while estimating the market value is often more difficult than assessing the number of potential customers. Nazaritehrani and Mashali (2020) noted that organisations always pursue success and growth and that one of the fundamental factors of an organisation's success, survival, and growth in a competitive market is market share. The market share of firms has, also, a vital role in setting the equilibrium price, that is, the more firms in the market with less market share, the better the market movement towards a competitive market (Saravani, Tash & Mahmodpour, 2015). In general, absolute market share and relative market share are two different types of market share. Absolute market share is defined as the number of customers (or the cash value achieved from those customers) compared to the total number of customers (or the cash value of the total sales in the market) (Kaplan & Norton, 1996). Relative market share measures the organization's sales or cash value compared to the organization that has the largest market share in the same market, or to the market share of three large rivals (Rawash 2012). Overall, a large market share is the consequence of the prosperous accomplishment of a competitive strategy and the corollary of a company's market growth (Ghemawat 2002).

**Hypotheses Development**

When it comes to market share, Ali and Ahmed (2019) revealed that Sensory marketing elements play a pivotal role in the behavioural perception of customers which in turn leads to the increase in market share of five-star hotels in Cairo. In a slightly different dimension, Fitzgerald and Priolo (2018), argues that firms acquire customers to gain market share by temporarily offering low markups, and later raise markups once customers are locked in, but that this is a short-term strategy. In another twist, Shaligram (2014), revealed the strategic impact on firm's market share with capability in the area of supply chain management, as the spanning processes directly create value for customers, whereas, Agag et al, (2020), concluded that it is the capability in converting website visitors into buyers that has impact on market share. Meanwhile, Olowoporoku and Falana (2020), found evidence that market share was strongly impacted by product innovation and technological advancement respectively, in family-owned businesses. On an entirely different note, Khalifa and Ali (2017) determined that it is managing the drivers and boundaries of information technology risk management (ITRM) which has effect on the increase of Egyptian hotels market share. In their hypotheses to investigate the development of e-channels on market share in developing countries, Nazaritehrani and Mashali (2020) indicated that some of these channels, including internet banking positively affects a banks market share, but their hypothesis on mobile banking and automated teller

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machines was rejected, which in itself raised further questions. Furthermore, the hypothesis to determine the effect of branch network, advertisement severity and information technology services on market in the study by Saravani, Tash and Mahmodpour (2015) showed that there was positive and significant effect.

**Based on the foregoing diverse results, this study had adopted the null hypothesis by stating that organisational capabilities have no significant effect on market share of selected hotels in Southwest Nigeria**

**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:

$Y = f(X)$

Where:

Y = Dependent Variable
X = Independent Variable

Y = Business Performance
X = Organisational Capabilities

$Y = (y_1,)$
$X = (x_1, x_2, x_3, x_4, x_5, x_6)$

Where:

$y_1$ = Market Share (MS)

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**

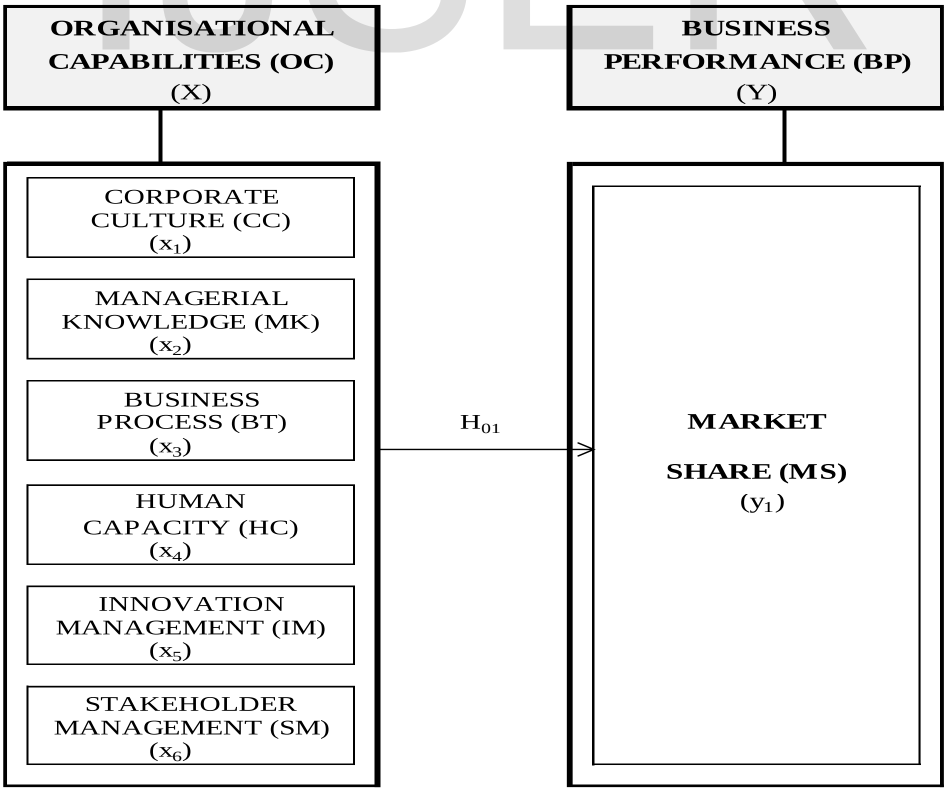


**Figure 1: Researcher's Model - 2021**

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 market share, 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 market share 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 et al. (2017); Ghazi, (2016); Ko and Yuan (2019); Kogo and Kimencu (2018); Onyijen et al (2019).

**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:

*n* = sample size

Confidence level = 95%

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

*e* = 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

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

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) market share. 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 | Market Share | 5 | 0.753 | 62.659 | 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 | Market Share | 0.846 | 0.722 |

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 coefficients 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 |
| Market Share | 5 | 0.847 | 0.772 |
| 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 ($\beta$) coefficient as well as its significance was analysed and examined on all of the dimension's relationships.

## 4. 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 on Market Share of selected Hotels in Southwest Nigeria**

| N | Model | *B* | Sig. | T | ANOVA (Sig.) | R | Adjusted $R^2$ | F (6,340) |
|---|---|---|---|---|---|---|---|---|
| **348** | (Constant) | .506 | .028 | 2.210 | $0.000^b$ | $0.723^a$ | 0.515 | 62.239 |
| | Corporate Culture | .300 | .000 | 4.935 | | | | |
| | Managerial Knowledge | .188 | .006 | 2.788 | | | | |
| | Business Process | .141 | .014 | 2.481 | | | | |
| | Human Capacity | -.151 | .039 | -2.070 | | | | |
| | Innovation Management | .112 | .060 | 1.888 | | | | |
| | Stakeholder Management | .260 | .000 | 4.599 | | | | |
| | **Predictors: (Constant), Corporate Culture, Managerial Knowledge, Business Process, Human Capacity, Innovation Management, Stakeholder Management** | | | | | | | |
| | **Dependent Variable: Market Share** | | | | | | | |

Table F presents the result of 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 market share of selected hotels in Southwest, Nigeria. The results showed that corporate culture ($\beta$ = 0.300, t = 4.935, p<0.05), managerial knowledge ($\beta$ = 0.188, t = 2.788, p<0.05), business process ($\beta$ = 0.141, t = 2.481, p<0.05), and stakeholder management ($\beta$ = 0.260, t = 4.599, p<0.05) have positive and significant effect on the selected hotel market share while innovation management ($\beta$ = 0.112, t = 1.888, p>0.05) have a positive but insignificant effect on the hotel market share while one of the variables, human capacity ($\beta$ = -0.151, t = -2.070, p<0.05) does have a negative and significant effect on market share of selected hotels in Southwest Nigeria. The results of the analysis revealed that four of the dimensions of organisational capabilities (corporate culture, managerial knowledge, and business process and stakeholder management) have a positive and significant effect on the market share of selected hotels in Southwest Nigeria. This implies that, corporate culture, managerial knowledge, business process and stakeholder management should be given detailed and quality attention. Similarly, human capacity negatively and significantly affects the market share and although innovation management is positive, it showed an insignificant effect on the market share of the selected hotels. The correlation coefficient of R= 0.723 shows that relatively, a high and strong positive relationship exist between the sub variables of organisational capabilities and market share of the sampled hotels. The coefficient of multiple determination, Adjusted $R^2$ is 0.515 indicating that organisational capabilities explain about 51.5% of the changes in the market share of selected hotels in Southwest Nigeria while the remaining 48.5% could be attributed to other factors not included in this model. Also, the F-statistics (df = 6, 340) = 62,239 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 market share. This means that organisational capabilities have a significant effect on the market share of selected hotels in Southwest Nigeria. The multiple regression model is expressed as thus:

MS= 0.506 + 0.300CC + 0.188MK + 0.141BT - 0.151HC + 0.260SM
Where:

MS = Market Share
CC = Corporate Culture
MK = Managerial Knowledge
BT = Business Process
HC = Human Capacity
SM = Stakeholder Management

The regression model shows that holding organisational capabilities sub variables at a constant zero, market share would be 0.506 implying that without organisational capabilities, the market share 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, business process and stakeholder management are improved by one unit, market share would positively increase by 0.300, 0.188, 0.141 and 0.260 respectively. On the other hand, if human capacity is improved by one unit, market share will reduce by 0.151 unit. This implies that an increase in corporate culture, managerial knowledge business process and stakeholder management would lead to an increase in the market share 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, business process, stakeholder management and human capacity are important determinants of the market share of selected hotels in Southwest Nigeria. The result suggests that hotels should pay more attention towards improving the corporate culture, managerial knowledge, business process, stakeholder management and less attention towards spending on human capacity in order to increase the market share of the selected hotels in Southwest, Nigeria. **Therefore, the null hypothesis ($H_{01}$) which states that organisational capabilities have no significant effect on market share of selected hotels in Southwest Nigeria was rejected.**

**Discussion of Findings**

The Hypothesis was tested to establish the effect of organisational capabilities dimensions on market share of selected hotels in Southwest Nigeria. The results revealed that organisational capabilities, as a multiple regression, showed significant and positive effect on market share of selected hotels at (sig = 0.000, $p < 0.05$). Furthermore, while organisational capabilities reported significant and positive impact on market share of selected hotels, its sub-variables follow mostly in the same direction. As a result, corporate culture, managerial knowledge, business process and stakeholder management all reported positive and significant impact on market share ($p < 0.05$). However, under this analysis, innovation management did not show significant impact ($p > 0.05$) unlike how it affects competitiveness in a significant way in $H_{01}$. Again, human capacity reacted the same way just as it did on competitiveness as it also showed a negative significant effect on market share ($\beta = -.151$, $p < 0.05$). The behaviour of human capacity sub-variable seems to be consistent under the analysis of $H_{01}$ and $H_{02,}$ and this is quite a remarkable development.

If we consider that market share refers to the portion of the company, in terms of quantity sold or revenue derived, or both, in relation to the market where it operates, over a period of time, we could get a sense of how the proper deployment of the right organisational capabilities may be crucial in gaining and retaining a good share of the market. In the hotel industry, the market is broad and comprised a lot of segments, namely: business, leisure, tourism (eco, sports, culture), conventions, events, travels, conferences, and exhibitions. Hotels measure their share of the market as to how deeply they penetrate these markets. This is reflected in their ability to adjust prices automatically as demand goes up or down (yield management), the range of products and services they actively support, their website conversion rate, the scope of market segments they serve, and their customer base. Only a hotel with good market share can successfully influence all these factors. With the foregoing understanding, what the findings had shown is that the way hotels formulate their corporate culture, the knowledge of their managers, the business process they employ, the question of their human capacity, and the management of their entire stakeholders, would determine the nature and size of their market share.

In order to explain these findings with theory, it is necessary to consider that the resource-based view theory propounds that firms possess resources which are heterogeneous in nature and that firms employ strategies that lead to an advantage when the organisation makes use of strategies that are significantly different from that of competitors (Kim *et al*, 2011). In order words, for firms to gain competitive advantages, there must be efficient and effective application of those resources. Indeed, organisational capabilities are heterogeneous in nature, and clearly, the findings attest to this. For instance, while corporate culture, managerial knowledge, business process, and stakeholder management capabilities all impact on market share of selected hotels in a significant and positive way, human capacity had to decrease for it to have any significant impact on market share, suggesting an inverse relationship. Innovation management capability was of little or no effect on market share, suggesting that it is an insignificant capability in the determination of market share. This doctrine of heterogeneity implies that organisational capabilities have dissimilar characteristics and varied behavioural patterns. Another theoretical dimension of the findings is the improvement brought by the dynamic capability theory which argues that dynamic capabilities allow firms to continually have a competitive advantage and may help firms to avoid developing core rigidities which inhibit development of inertia and stifle innovation (Leonard-Barton (1992), and that this also involves the organisational process by which resources are utilised to create growth and adaptation within changing environments and to permit the renewal and reconfiguration of a firm's resources (Eisenhardt & Martin, 2000). Adapting this theory in the quest for market share, hotels must be informed by these findings to quickly reorganise their capabilities according to what works effectively, because according to Ambrosini *et al* (2009), the deployment of dynamic capabilities may lead to failure if the resulting resource stock is irrelevant to the market.

Discussing from the perspectives of other authors, Ali and Ahmed (2019) found that sensory marketing elements play a pivotal role in improving perception and actual behaviour of hotel customers, and how this actual behaviour increase market share within five-star hotels in Cairo. Also, Sestayo and Búa (2019) highlighted the importance of certain internal and external performance drivers as variables that are representative of market share. The study by Fitzgerald and Priolo (2018) did however indicate mixed findings when on one hand their findings were reportedly at odds with large literature which argues that firms acquire customers by temporarily offering mark-ups, and later raise mark-ups when customers are locked, while on the other hand being consistent with other literature which emphasises the importance of marketing and advertising activities for building market share. Furthermore, Khalifa and Ali (2017) alluded to the idea of managing information technology risk as a factor for increasing Egyptian hotels' market share. From organisational capabilities point of view, Shaligram (2014) emphasised the supply chain management function as having a strategic impact on firms' market share because they create value for customers. Juxtaposing these results with the findings of this study, an important aspect in gaining market share appeared to be business process and stakeholder management capabilities.

By and large, the problems identified in gaining market share, which partly formed the justification for this study, were price war among hotels, imbalance between occupancy and tariff, declining occupancy particularly among 3-4 star hotels, and the issue of brand equity erosion. Judging by these findings, the result is that corporate culture, managerial knowledge, business process, human capacity, and stakeholder management, are the capabilities required to tackle the problems hitherto identified, and this can also be represented regressionally by the expression: MS = 0.506 + 0.30CC + 0.188MK + 0.141BT - 0.151HC + 0.260SM

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 market share 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.

## 5. CONCLUSION

The study identified the problem in securing a good market as a prominent factor affecting the business performance of hotels. The problem manifest itself with many faces, of which the key ones are, price war among hotels, imbalance between occupancy and tariff structure, declining occupancy particularly among the 3-4star hotels, and the issue of brand equity erosion. Informed by literature, the concept of organisational capabilities was also proposed to determine the likely solution to hotels in their pursuit to attract and retain good market share. Understanding that market share is the proportion of the total market that a hotel controls, this study sought to determine the effect of organisational capabilities on market share of selected hotels in Southwest Nigeria. To find out, relevant research question and hypothesis were formulated in line with specific objective. Results from the hypothesis ($Ho_1$) showed that organisational capabilities had significant effect on market share. In other words, the dimensions of organisational capabilities, namely, corporate culture, managerial knowledge, business process, human capacity, and stakeholder management, are good predictors of hotels' ability to promote revenue-yield management, have a diverse range of products and services, obtain a good website conversion rate, increase their scope of market segment, and deepen their customer base. Also, the result of the hypothesis testing was found to be in alignment with the *A priori* expectation in the study, to reject the null hypothesis.

The findings of Multiple Regression analysis suggested that when Corporate Culture, Managerial Knowledge, Business Process, and Stakeholder Management were improved by one unit, Market Share would positively increase by 0.300, 0.188, 0.141 and 0.260 respectively. On the other hand, if Human Capacity is improved by one unit, Market Share will reduce by 0.151 unit. This implied that an increase in corporate culture, managerial knowledge, business process, and stakeholder management would lead to an increase in the market share of selected hotels in Southwest Nigeria. Thus, Organisational Capabilities had a statistically significant effect on Market Share at a significant (sig = 0.028, $p < 0.05$), Adj. $R^2 = 0.515$ and t-statistic = 2.210. This implied that if the adoption of a good corporate culture, requisite managerial knowledge, proper business process, human capacity, and the promotion of stakeholder management practices were in place in those hotels, they would enhance their market share among their rivals 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 of the 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.

**Limitations 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.

**Suggestions 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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