

Underpinning Business Competitive Indicators to Fulfill Organizational Excellence for International Tourism Hotel in Taiwan

Shu-Hsiao Tsen, Associate Professor, Department of Tourism, Providence University, Taiwan

ABSTRACT

The study is also in the case of top profit-making international tourist hotels in Taiwan, and would offer a set of criteria to underpin the unique competitive indicator and focus on the international tourist hotels to examine the truly facts associated with organizational conditions. And also would indicate the specific diagnosis skeleton to know how to fit with those requirements that critical to organizational performance for international tourist hotels. Hope the findings of the research would contribute some inspirations for the best practice as well as the solution for future management of hospitality industry.

Keywords: *business strategy, Core competency, Competitive advantages.*

INTRODUCTION

For the past decades, how to be an outstanding business from the competition was the main strategic thinking for corporate operation. A business needs based on some advantages over the competition to sustain itself in the industry. In the strategic perception, those so called competitive advantage not only emphasize on acting like what competitors do and strive to do it better, but more accentuate make progress by means of business strategy, comparing and benchmarking with the competitors, unique advantages, and how to keep outperforming the competition. Developing business competitive indicators to maintain the competitive edge to fulfill business excellence has been recognized as a fundamental part of the business planning process. There are two underpinning concepts on this paper: first, that achieving business excellence is more than a collections of some best practices; second, that want to acquiring the business excellence need to focus on the issues of managers recruiting strategy who truly in charge of the implementation on business operation.

This paper was trying to capture the whole picture of the hospitality industry as well as to obtain the particulars of hotel chains' competition in detail descriptions. The sample cases, purposive sampling, and were from international tourist hotels and also accomplish top listing for profit making for more than years. Hope the findings of the research would contribute some inspirations for the best practice as well as the solution for future management of hospitality industry. In this paper, it will offer some dimensions and indicators to recognize a business opportunity, and the corporate would examine and check up the competitive condition, also would provide a set of measurement questionnaires to reveal the true condition of the strengths and weaknesses of the business. And then business would cultivate and strengthen those advantages based on those results of the questionnaires examined. This article would also examine the reasons for organizational success on how to underpin business competitive indicators to maintain the competitive edges, and also meet with the organizational excellence. Also could pinpoint the indicators of criteria on how to implement the business strategies and to fulfill business excellence.

THE INDUSTRIAL CONTEXT OF INTERNATIONAL TOURIST HOTEL IN TAIWAN

The project on the “Doubling tourist arrivals on 2008” was the big challenge for Taiwan. For meeting the goal of the project, it will be the problem that the need for the space of the rooms on the tourist hotel. The purpose of this plan would promote the rooms supply of tourist hotel and need to build more than 15,100 rooms of tourist hotel for the needed of inbound and international tourists. And it also would stimulate the competitive conditions for all international tourist hotels. (Tourism bureau ministry of transportation and communications, 2004). So, for answering and fitting the

challenges above, the paper here would present one of the solutions that tourist hotels may try to follow and to meet the competition.

This paper would present how to take the organizational conditions into account when we try to find a leading way to accomplish the operational performance. In the other hand, the study would apply the diagnosis skeleton to utilize the competitive indicator and also to facilitate business excellence.

COMPETITIVE STRATEGY

The strategy is a tool to achieve a competitive advantage, and could give managers the information they need to choose the strategies and business model that enable their organizations to attain a sustained competitive advantage. First, managers must understand the process that is valuable for customers and profitable for organizations. Second, they need to pinpoint the distinctive that would generate high profit. Third, they must be able to clarify their competitive advantage and to know what is driving their enterprise and where opportunities for improvement have would be built in. And as we know, distinctive competencies would shape the strategies that the company pursues, which lead to competitive advantage and superior profitability. However, it is also very important to realize that strategies a company adopts can build new resources and capabilities or strengthen the existing resources and capabilities of the company, thereby enhancing the distinctive competencies of the enterprise (Hill and Jones,2004) .

In this study, we would like to examine the main strategies for hotel industry in Taiwan, and to propose a set of criteria for how to choose the distinctive competency to pursue.

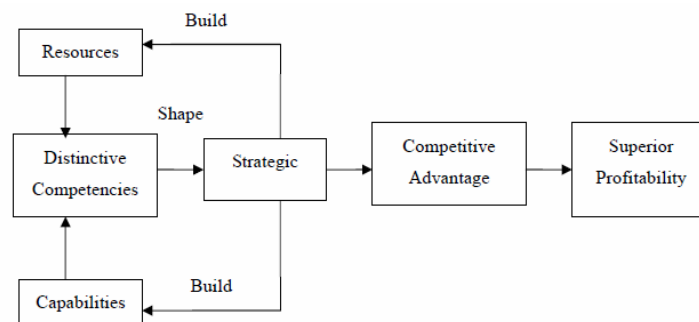


Figure 1: Strategy, Resources, Capabilities, and Competencies Source: Hill and Jones (2004)

COMPETITIVE COMPETENCY

Distinctive competencies are firm-specific strengths that allow a company to differentiate its products and/or achieve substantially lower costs than its rivals and thus gain a competitive advantage. Distinctive competencies arise from two complementary sources: resources and capabilities (Hill and Jones,2004) . An organization must have the ability to meet the dynamic competition that exists in today's market environment. Organizations, which are versatile and can adapt to the shifting patterns of environmental factors have a better opportunity to compete successfully (Prahalad and Hamel, 1990). Resource-based logic suggests that business processes that exploit valuable but common resources can only be a source of competitive parity; business processes that exploit valuable and rare resources can be a source of temporary competitive advantage; and business processes that exploit valuable, rare, and costly-to-imitate resources can be a source of sustained competitive advantage (Barney, 1991).

A company may have firm-specific and valuable resources, but unless it has the capability to use those resources effectively, it may not be able to create a distinctive competency. Company may not need firm-specific and valuable resources to establish a distinctive competency so long as it does have capabilities that no competitor possesses (Hill and Jones,2004) . Within strategic management the resource-based view of the firm has emerged as an approach to strategy which sees strategy as formulated on the basis of the resources and competencies of the firm (Prahalad and Hamel,1990).This may be contrasted with the market positioning view which sees strategy as formulated on the basis of

the structure of the industry in which the firm competes and its market positioning within that industry (Porter,1980). They may therefore be difficult to imitate and thus valuable, since competencies or capabilities are the outcome of using groups of resources in particular ways (Barney,1991). Resources and capabilities are used interchangeably and refer to the tangible and intangible assets firms use to develop and implement their strategies. Thus firms may have the same or similar resources, but different competencies or capabilities. Given the diffusion of innovation, knowledge, skill, and other aspects of competition that eventually occurs in any industry, investment in the continuous nurturing of existing competencies and the identification and building of new competencies becomes critical to performance and long-term survival. Following the terms of the mainstream resource-based literature (Barney, 1986), these distinctive competencies must with those traits as following:

1. be hard to imitate
2. draw on combinations of resources
3. integrate individual functional capabilities
4. blend hard and soft elements
5. core competences should lead to competitive advantage

The hard tangible elements are increasingly identical to those of a manufacturing business. The soft (service encounter) elements retain the distinctive needs of service management and service delivery. This hard or soft distinction can be illustrated with reference to the hotel industry. In real world, intangible and tangible resources will often be bundled together to enable the execution of a particular business process. Normann (1984) has cogently argued that services are personality-intensive. Service industries span an array of different types between hard and soft services, each with its different mix of tangibles and intangibles (Erramilli, 1990).

To respond appropriately to the needs and wants of customers, it is imperative that service firms develop an understanding of how customers receive and assess service products through their experiences of service processes. It is in these service processes that service organizations can build competitive advantage in the marketplace. Most of this empirical work has been consistent with resource-based theory (Barney and Arian, 2001). Hospitality as a potential source of competitive advantage is dependent on the service encounter. It is not a resource but a competence, since it is about how you do things rather than what resources you have available (Bogaert et al., 1994). Thus, the service experience for the customer is essentially a result of how people carry out their responsibilities at work, irrespective of whether they have high or low levels of information technology or other supporting infrastructure. Service firms typically have a different balance of resources and competencies to manufacturing firms (Zeithaml and Bitner, 1996).

COMPETENCY INDICATORS

This study would examine the three dimensions for service process for international tourist hotels, including: organizational operations, human resources, and marketing, therefore the decision maker also could check the indicators what the hotel industry should have and should being. For high-service-oriented organizations, human resources are one of the determinant factors for being successful. Particularly for chained hotels, the quality of the human resource can determine the success or the failure of a business. To remain competitive, an organization needs to possess a number of human resources competencies. First, a firm needs a nurturing competency, and the ability to create an emotional bond with employees. By exercising these skills in hiring, training, and motivating employees, a human resources function can create a competitive advantage for a company (Lovelock, 1992). Second, a firm needs to have empowerment competency - the ability to provide an empowerment culture that enables its personnel to adapt to changes in the marketplace more effectively. An empowerment culture at the business-unit level enables units to identify new market niches and new types of products or services that can make or break an organization in competitive times (Normann, 1991). An organization can develop an empowerment culture by decentralizing its structure, providing opportunities for its employees to grow with the company and providing opportunities for its personnel to acquire new experiences and new knowledge. Then, other competency needed for the operations function encompasses firm-specific knowledge and understanding derived from many individual sources through years of accumulating experiences (Leonard-Barton, 1992). An organization with this operating competency can apply its technical system know-how to its inventory

control, cost control, financial reporting, and quality control systems, creating and managing processes that result in final services and products. Another competency that is useful for the operations function is the *data management* competency, the ability to apply information technology know-how to designing and initializing databases with appropriate hardware and software packages (Prahalad and Hamel, 1994). For hotel chains, a data management competency may lead to developing and operating a world-wide reservation system with wholesalers and retailers, and to applying marketing databases for direct marketing, telemarketing, and other sales techniques.

At the least, successful marketing requires understanding customers' habits and identifying business opportunities in the marketplace. A number of competencies are necessary to perform the marketing function well. Market sensing implies the use of information acquisition and processing techniques through which organizations learn about their market environment (Sinkula, 1999). Organizations can acquire information about trends, events, opportunities, and threats in their market environment through scanning. Only when an organization has information about its marketplace can it understand its consumers and provide products and services tailored to the needs of its consumers. And then a *new service development* competency is crucial for organizations also be importance. By developing new services, an organization can create a strong image in the minds of consumers (Lovelock, 1991). A new service development competency can enable an organization to offer services that are better than its competitors' or offer services that are not yet provided by its competitors. Many organizations are discovering that their long-term survival may depend on their *alliance* competency, the ability to perform joint activities. Alliances help an organization to leverage its own unique skills with the specialized resources of its partners to create a more potent force in the marketplace (Bucklin and Sengupta, 1993). A service organization can collaborate with private, public, or government organizations to offer combined service packages to its consumers. The combined value of these service packages generates more business and benefits for both service providers.

An organization needs to be competent in communicating to its consumers about its services and products in order to attract new customers and retain old ones (Normann, 1991). For hotel chains, communications can be made to their intermediaries, to their ultimate consumers, and to the marketplace in general. A hotel chain can market its services and products through intermediaries. Customers learn about an organization through exposure to service personnel and service facilities and the communication efforts of an organization's advertising and sales department. An organization can also communicate to its marketplace through public relations, an indirect tool for communication (Palmer and Cole, 1995). An organization should possess skills in communicating with its intermediaries, target consumers, and the general public. It needs to get consumers' attention.

METHODOLOGY

In order to attain more detailed and reflective information, this study applied a qualitative approach using face-to-face interviews with the top managers of the international tourist hotels; and also tries to capture the whole picture of the hospitality industry as well as to obtain the particulars of hotel chains' competition in detail descriptions. Chandler (1977) points out that use the case study method for studying is a way to dig the complexity content of the real world. Yin (1989) also supports that case study method would captures the holistic and meaningful characteristics of real-life events. The first phase for case study process was to find out those general factors what are critical for management of the tourist hotels in the Taiwan. The second phase is to go on a face-to-face interview for case study on the subject hotels. And with two face-to-face interviews of pilot study, then we could conduct the content into the starting based of our research. The final phase is continued to interview with top managers by the "snowballing" technique. In this way, the interviewees were added up to "saturation", which means that new interviewees were addressing up to the point where the latest interview did not add novel information to the study. Totally data were collected from 10 hotel top managers who really in charge of drawing up the business strategy for their hotels in Taiwan.

By the ten face-to-face interviews, we could examine those top profitable tourist hotels, the manager could realize the meaningful information and clues on how to acquiring the exclusive competency to meet with the business blueprint. Maximizing those competitive competency would mean that employees are delivering the qualified performing for the

organization, and commit the dedication to their organizations. The sample cases were from international tourist hotels and also accomplish top listing for profit making for more than years. The contents of the paper would indicate the insights for the core competency and to demonstrate the effects on fulfill the blueprint in a viewpoint of strategy. The all information presented here can reinforce the planning process to collaborate with other managerial mechanism.

FINDING

In the finding, we would present nine indicators for competitive niches. Those meaningful information could offer a solution for managers to realize how to acquire those indicators to meet with the business blueprint and fulfill organizational excellence. As we all know that maintain the strength of the competitive indicators could build a supportive environment for the workforce. It would also promote a healthy organizational climate that facilitates effective organizational innovation and change. To empower the top manager do play a more active role on the implementation of innovation and change; and also fertile employees' competency which are destined for pursuing success in the more competitive world. The following table (Table 1)was showed the descriptions for dimensions from the face-to-face interview.

Table 1: The Dimension from the Pilot Interview after Coding

The Dimension	Descriptions for Dimensions
Customers' Value Adding	<ul style="list-style-type: none"> ◆ To respect and treat every customer equal importance ◆ To educate the customer ◆ To empower and authorize the staffs for immediate interaction with customers ◆ To build the service from finding out the demand of customer ◆ To reduce the contact interval between hotel and customer by design the processes of service ◆ To reduce the communication barrier through facility improvement
Leaders' Traits	<ul style="list-style-type: none"> ◆ To enrich the interaction between the managers and the local public ◆ The manager's cognition and perception on the business operation for the hotel The manager's cognition and perception on the industry competition ◆ The deeper understanding on the customers' behavior
Leadership Style	<ul style="list-style-type: none"> ◆ To act as a transformative leader ◆ To uphold the authority of the top manager ◆ The manager's positive aggression on the global competition ◆ The innovative thinking minded
Human Resource Development	<ul style="list-style-type: none"> ◆ To prepare the succession plan for the top manager, and promote from the inner candidate first ◆ To spotlight the importance of the personal character and the sense of the value ◆ To cultivate the supervisor as a mainstream manpower at the based- level ◆ The periodical evaluation of the service quality by mimics ◆ To manage the foreign travelers with the foreign managers ◆ To deliver the managerial experience by the means of the inner training ◆ To stimulate the employees by the incentive practice, ex: bonus
Organizational Characteristic	<ul style="list-style-type: none"> ◆ To focus the market target by defining the clear positioning ◆ To make sure the service quality for the customers. To fulfill the commitment of the organizational value, and norms. ◆ To internationalize the path of the development for the hotels ◆ To design the best practice of S.O.P. from the information concerning the customers' traits
Network for Value-adding Making	<ul style="list-style-type: none"> ◆ To linkage the recreation programs to mold the new F&B style ◆ To programming the package for wedding ceremony ◆ To promote PR to marketing ◆ To promote the international business through the international travel fair and hold the press for the public relationship management ◆ To maintain the good interaction within the supply chain

Core Competency	<ul style="list-style-type: none"> ◆ To fit the requirement of the “comfortable”, ”suitable”, and “ decent ”service for their customers. ◆ To exploit the characteristic menu ◆ To embed the service quality into the service S.O.P. ◆ To cultivate the inner innovation by means of the benchmarking with the topper competitors
Customer Loyalty	<ul style="list-style-type: none"> ◆ The customer are satisfied the product and service ◆ The customer are willing to promote the hotel’s product and service ◆ The customer repeated purchase and order our product and service
Resources Integration	<ul style="list-style-type: none"> ◆ To reduce the cost by collective purchase ◆ To achieve the performance with the synergizing on the inner resources ◆ To focus on the cost–effect oriented instead of the chef’s perception

Resource: the researcher

And the next following table (Table 2) would present the measure indicators were adopted from the past researches. It would contribute a concrete dimension and measurements into integrate the competitive indicators for international tourist hotels to draw up their strategic business planning and aligned the hotel’s distinguishing rare resources could ensure that underlying powerful competency and to facilitate the necessary prerequisites of innovation and change for international tourist hotels.

Table 2: The measure indicators were adopted from the past researches

The Dimension	Descriptions for Dimensions
Customers’ Value Adding	<ul style="list-style-type: none"> ◆ By developing new services, an organization can create a strong image in the minds of consumers (Lovelock, 1991; Normann, 1991). ◆ As you will see in this chapter, three of the four main building blocks of competitive advantage are efficiency, innovation, and responsiveness to customers; the fourth is the quality of product or service offering (Hill and Johns, 2004) .
Leadership Style	<ul style="list-style-type: none"> ◆ Empowerment competency that enables its personnel to adapt to changes in the marketplace more effectively (Normann, 1991).
Human Resource Development	<ul style="list-style-type: none"> ◆ A firm needs a nurturing competency - comprising employee recruitment skills, employee training skills, and employee psychology know-how (Lovelock, 1992). ◆ The human resources function encompasses the role of human resources in delivering services that meet customers needs (Palmer and Cole, 1995) . ◆ By exercising these skills in hiring, training, and motivating employees, a human resources function can create a competitive advantage for a company (Lovelock, 1992) . ◆ To approach compensation in a total rewards perspective, and to linkage the value of pay, benefits and the working environment
Network for Value-adding Making	<ul style="list-style-type: none"> ◆ Alliances can take various forms, such as collaboration arrangements or partnerships (Mason, 1939) . ◆ Alliance competency help an organization to leverage its own unique skills with the specialized resources of its partners to create a more potent force in the marketplace (Bucklin and Sengupta, 1993) .
Resources Integration	<ul style="list-style-type: none"> ◆ Data management competency apply information technology know-how to designing and initializing databases with appropriate hardware and software packages (Hamel and Prahalad, 1994) . ◆ One competency needed for the operations function encompasses. ◆ Firm-specific knowledge and understanding derived from many individual sources through years of accumulating experiences (Leonard-Barton, 1992) .

Resource: the researcher

The contents of the paper would indicate the insights for the core competency and to demonstrate the effects on fulfill the blueprint in a viewpoint of strategy. The all information presented here can reinforce the planning process to collaborate with other managerial mechanism for hotel industry.

Briefly speaking, competitive indexes do play a vital role in sketching the infrastructures and systems, facilitating the innovation and change, assessing the operational effectiveness, and originating the suitable progress. This modest

top managers and decision makers are required to have an open mind to embrace new examining criteria to achieve and sustain a competitive advantage. Since organizations began to realize that want to position in the leading way in the different business trend and competitive environment, the organizations need to afford different types of programs and to replicating organizational strength at every business-unit levels. The study also showed how the sample hotel manage their competitive indexes to employ the best practice and people to keep the business excellence; and there are some competitive indexes and indicators for organization competitiveness in the scenarios for those two subject sample hotels.

Table 3: The Competitive Indicators for Organization Resource: the researcher

Dimension	The Sub-Dimension	Indicators' Details for Dimensions
Organizational Operations	Organizational Unique Characteristics	<ul style="list-style-type: none"> ◆ The strategic positioning for organization ◆ The statement for the brand image ◆ Cultivating the organizational culture ◆ Organizational capability on the innovation and continue development
	Core Competency	<ul style="list-style-type: none"> ◆ The extension and creation for the core competency ◆ The synergy on the core competency
	Resources Integration	<ul style="list-style-type: none"> ◆ Operational structure, accountabilities and responsibilities ◆ Quality control systems ◆ Vertical integration with supplier chain ◆ Resource sharing and utilizing ◆ Cost control
Human Resource	Leaders' Traits	<ul style="list-style-type: none"> ◆ Leaders' social network ◆ Personal traits for the leader ◆ Leadership's Styles ◆ Leadership type versus organizational assignment
	Human Resource Development	<ul style="list-style-type: none"> ◆ Human resources strategy ◆ Human resources practices (the career ladder, training and development, compensation, benefit and welfare, evaluation for performance)
Marketing and Outsider network	Network for Value-adding Making	<ul style="list-style-type: none"> ◆ Total solution for value adding ◆ Network for Public ◆ Strategic marketing ◆ Social response ◆ Inter-business integration ◆ Supplier relationship ◆ The interaction with the public ◆ System integration ◆ Inter-organizational network resources utilization
	Customer Value Making	<ul style="list-style-type: none"> ◆ Branding ◆ Extra value-adding making ◆ Customer orientation ◆ Customer perceived value ◆ Interface for customers' contact ◆ Recovery mechanisms for service gaps
	Customer Loyalty	<ul style="list-style-type: none"> ◆ Customers' satisfaction ◆ Customers' Recommendation ◆ Repeat purchase

Resource: the researcher

DISCUSSION

Most of the super performing organizations that are proved they pay a lot of efforts to pursuit their innovation and build quantum leaps in some aspect to achieve sustained profitable growth. Rather than only striving to match or outperform the competition, the international tourist hotels also must cultivate a mechanism to probe the conditions of

the organization, to explore the opportunities for business excellence. The tourist hotels could mold the strategy and shift the conditions of the organizational resources according to the examined result of those dimensions and indicators.

Competitive dimensions and the detailed-indicators do play a vital role in sketching the infrastructures and systems, facilitating the innovation and change, assessing the operational effectiveness, and originating the suitable progress. This modest top managers and decision makers are required to have an open mind to embrace new examining criteria to achieve and sustain a competitive advantage. Since organizations began to realize that want to position in the leading way in the different business trend and competitive environment, the organizations need to afford different types of programs and to replicating organizational strength at every business-unit levels. The study also showed how the sample hotels manage their competitive indexes to employ the best practice and people to keep the business excellence.

This article would also account for the reasons of organizational success and on underpin business how to gain those competitive indicators to maintain the competitive edges, and also meet with the organizational excellence. Also could pinpoint the indicators of criteria on how to implement the business strategies and to fulfill business excellence.

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