

# Entrepreneurial Competence and Organizational Performance of Hospitality Firms in Rivers State, Nigeria

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**Abstract:** *This study was aimed at examining the relationship amongst entrepreneurial competence and organizational performance of hospitality firms in Rivers state, Nigeria. A cross sectional survey which is a form of quasi experimental design was utilized. A total population of 171 managers and supervisors from 25 hotels and 10 tourism firm was covered in the study. A total sample size of one hundred and eighteen (118) managers and supervisors was covered in this study. Data was gathered with questionnaires which was personally administered to respondents. The spearman rank order correlation coefficient was used in testing the hypotheses in order to determine if there is any noteworthy correlation amongst entrepreneurial competences and organizational performance. Based on the analysis, there is a substantial linear relationship between the dimensions of entrepreneurial competence (strategic competence and relational competence) and organizational performance measures (profitability and innovativeness). It was thus concluded that as entrepreneurial competence becomes higher in terms of strategic competences and relational competences, total performance of the organization in terms of profitability and innovativeness also becomes higher. Hence, it was recommended that the managers of the various hospitality firms should be well trained in order to enhance their strategic competence and also boost their relational competence with divers stakeholders, as such will help boost the firms' goodwill and thus increase their profitability.*

**Keywords:** *Entrepreneurial Competence, Strategic Competence, Relational Competence, Organizational Performance, Innovativeness, Profitability*

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## 1.0 INTRODUCTION

The unending quest to develop and increase firms' performance in recent time, has become more critical due to the imponderable nature of the business domain. Organizations as a goal seeking entity are continuously in search of ways to achieve and maintain superior performance in the industry in order to stay agile and competitive. Organizational performance is a paramount goal which all firms (both profit and nonprofit oriented) strive to achieve, because it determines the sustainability, survival and resilience ability of the organization. The numbers of years organizations have

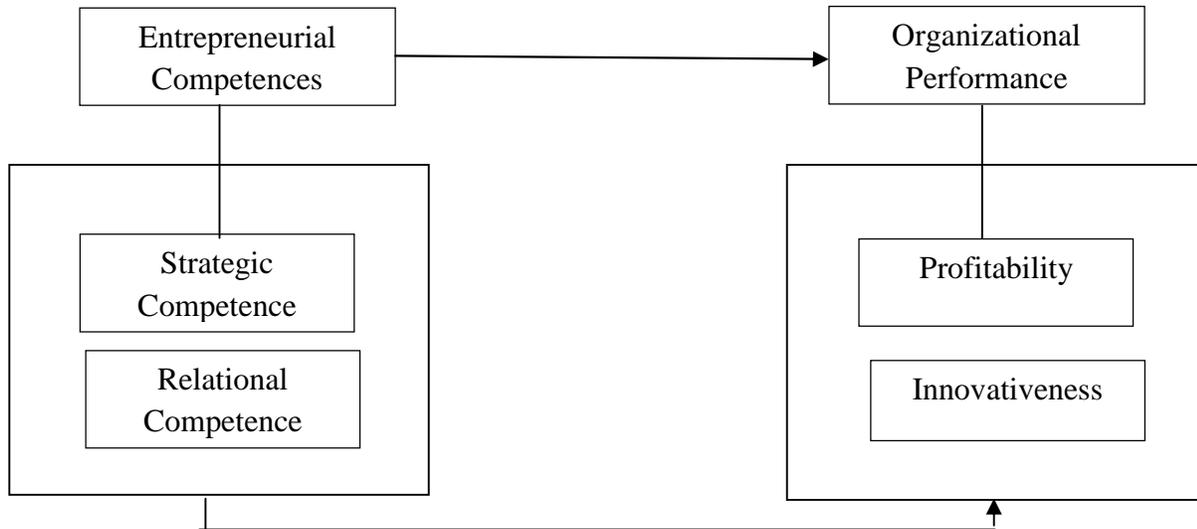
existed do not constitute their rating as market leaders, but rather, organizations are seen as market leaders based on their level of performance in the industry. As such, a non-performing firm is bound to fizzle out of business within a short period of time. In alignment with the above assertion, Gavrea, Ilies and Stegerea (2011) argued that consistent performance remains the key focus of all firms since only through high performance that organizations are able to progress and grow. Organizational performance is the degree at which firms as a social entity with a given resource, actualize its targeted goals without incapacitating their means and resources or bordering their staff with excessive strain (Jenatabadi, 2015). Furthermore, Ajagbe, Peter, Ekanem, Uduimoh and Akpan (2016) posited that firm performance is crucial as it aids management to determine if the business is deteriorating, stagnant or improving. Conversely, Ezigbo (2011) argued that performance shows how firms utilize their various resources efficiently in order to achieve output that are in alignment with the goals of the organization. However, considering the volatility, uncertainty, complexity and ambiguity (VUCA) of the business world, it is worthy to note that the high sophisticated equipment of an organization, do not wholly determine their performance. As such, the competence of those piloting the affairs of the organization is thus paramount to ensure that the firm is able to withstand any turbulent moment.

Wickramaratne, Kiminami and Yagi (2014) maintained that entrepreneurial competence is a bedrock which enhances the success of firms. Akhigbe and Onuoha (2019) posited that the need to adapt to progressive and unprecedented changes is essential in order to enhance the performance and survival of the firm. The ability of a firm to adapt is highly dependent on the competence of the entrepreneurs. Entrepreneurial competence is the main characteristics such as specific and basic knowledge, skills, traits and motives which are essential for startup, survival and growth of firms (Bird, 1995). Enhancing entrepreneurial competence can help enhance the fortune of any firm. The dimensions of entrepreneurial competence include; conceptual competence, strategic competence, ethical competence, learning competence, opportunity competence and personal competence (Tehseen & Ramayeh, 2015).

Furthermore, Wickramaratne, Kiminami and Yagi (2014) identified strategic competence, opportunity competence, organization competence, relational competence and commitment competence as the dimensions of entrepreneurial competence. Several scholars have examined various ways to enhance the performance of firms using various constructs. Hurduzeu (2015) examined how organizational performance can be enhanced using leadership style. Masanja (2018) examined how to enhance firm performance using internal control. Almed and Shafiq (2014) examined how to enhance performance of a firm from the stand point of corporate culture. Solesvik (2012) examined how entrepreneurial competences enable managers to set proper goals. Despite the numerous attempts to enhance organizational performance the problem of poor performance still persists especially in the hospitality firms in Rivers State. This poor performance has manifested in poor profitability, high mortality rate, high unemployment, poor customers' satisfaction and loyalty. Previous scholars have not really looked at how entrepreneurial competences can help resolve the problem of poor performance in the hospitality firms in Rivers State. It is this observed lacuna that has

informed this study. This work thus examined how entrepreneurial competences relates with organizational performance of hospitality firms in Rivers State, Nigeria.

### Research Model



**Source:** conceptualize by the researcher.

**Figure 1:** A framework showing the link between entrepreneurial competence and organizational performance.

### Objectives of the Study

The objectives of this study are to;

1. Examine the relationship between strategic competence and profitability of hospitality firms in Rivers State, Nigeria.
2. Determine the relationship between strategic competence and innovativeness of hospitality firms in Rivers State, Nigeria.
3. Examine the relationship between relational competence and profitability of hospitality firms in Rivers State, Nigeria.
4. Examine the relationship between relational competence and innovativeness of hospitality firms in Rivers State, Nigeria.

### Research Questions

The following research questions served as a guild in this study. What is the relationship between:

- 1 Strategic competence and profitability of hospitality firms in Rivers State, Nigeria?
- 2 Strategic competence and innovativeness of hospitality firms in Rivers State, Nigeria?
- 3 Relational competence and profitability of hospitality firms in Rivers State, Nigeria?
- 4 Relational competence and innovativeness of hospitality firms in Rivers State, Nigeria?

### **Research Hypotheses**

The null hypotheses were proffered as a tentative answer to the questions;

**HO<sub>1</sub>:** There is no significant relationship between strategic competence and profitability of hospitality firms in Rivers State, Nigeria.

**HO<sub>2</sub>:** There is no significant relationship between strategic competence and innovativeness of hospitality firms in Rivers State, Nigeria.

**HO<sub>3</sub>:** There is no significant relationship between relational competence and profitability of hospitality firms in Rivers State, Nigeria.

**HO<sub>4</sub>:** There is no significant relationship between relational competence and innovativeness of hospitality firms in Rivers State, Nigeria.

### **2.0 REVIEW OF RELATED LITERATURE**

In the 19th, the concept of dynamic capability theory was introduced for the first time. According to Teece, Pisano and Shuen (1997) argument, dynamic capability theory is the capability to fix, shape and reconstruct internal and external skills to handle rapidly changing environment. This theory is of the opinion that the basic competence of an organization should be adopted in creating short term competitive positions which when developed can fit into longer-term competitive advantage. Dynamic capability theory expands on two fundamental issues, firstly is the ability of the firm to renew competences so as to adapt to changes in the business environment and the second being the ability of strategic management to use these competences to match the needs of the environment. Firm's ability to harness its competences, will enable the firm boost its performance.

#### **Concept of Entrepreneurial competencies**

Traditionally entrepreneurship has been defined as the practice of designing, initiating and running a novel business which normally begins as a small business venture or a setup firm offering services, product selling/hiring out service. Individuals who create these businesses are referred to as entrepreneurs. It has been seen as the 'willingness and ability to develop, arrange and control a business enterprise including alongside with any risk involved in order to make a profit (Sanchez, 2012). Entrepreneurs' competency is a major significant determinant factors for measuring business operations success, growth and performance of the organization (Brinckmann, 2008; Mitchelmore and Rowley, 2013).

Different resources are require in initiating a new business. This requirement vary from behavioural to financial resources. Although entrepreneur can realized all the resources to provide information, finance, capital in an environment, there are other internal factors which makes establishing a new business possible. Competency informs the idea for these internal factors. Competency is generally characterized into three; character, knowledge, and skills (Mojab et al. 2011). Six types of entrepreneurial competencies have been investigated by researchers. They include: relational,

opportunity conceptual, strategic, commitment and organizing competencies (Man, Lau, & Chan, 2002). Furthermore, competency is also seen as artificial and natural competencies. Competency which is internally formed in an entrepreneur's personality traits, selfimage, social and attitudes is referred to as natural competency while adventitious competency like experience, knowledge and skill is an artificial competency (Ismail, 2012). According to literature on the nature of competencies, opportunity and perceived ability refer to skills of an entrepreneur where less fear of failure and models are considered in the definition of the personality of an entrepreneur (Zali, Bastian & Qureshi, 2013). Studies have shown that competency relates to a higher performance in whatever condition (Hayton & Kelley, 2006) and only competent owners can make business successful (Chandler & Jansen, 1992).

Several illustrations have proven that entrepreneurial competencies have impact on business performance and growth. According to Mitchelmore and Rowley (2010), the entrepreneurial competency concept has its basis in both competence and entrepreneurship. This maybe explained more when ascertaining outstanding and publically visible figures such as Aliko Dangote and Bill Gates as entrepreneurs.

According to Assessment Tools and Indicators for Entrepreneurship Education (ATIE, 2014), definition, entrepreneurial competencies covers both cognitive and non-cognitive abilities involved in the different stages of an entrepreneurial undertaking. Certain concepts are used to detain these skills: Financial literacy, Managing ambiguity, Creativity, Teamwork, Planning, and marshalling of resources. As put by Bird (1995), individuals or entrepreneurs exhibits competencies when they initiate, convert and increase value to organizations via organizing opportunities and resources. Bird further posit that necessary competencies required to initiate and organize a new project may be considered as "baseline". Effective entrepreneurs are considered as those who go beyond initiate into organizing, who survive and grow (Mitchelmore & Rowley 2010).

In the study of entrepreneurial characteristics, the competency approach has become popular (e.g. Bird, 1995; Chandler & Jansen, 1992; Man, Lau & Chan, 2002; Schmitt-Rodermund, 2004). Bird (1995), defined entrepreneurial competencies as, principal characteristics such as basic and specific knowledge, traits, motives, roles, self-image and skills which are needed for business start-up, survival and growth. She also suggested that competencies can be perceived as observable and behavioral. It is therefore possible to change through intervention such as entrepreneurship teachings and selection (Man *et al.*, 2002). Tehseen and Ramayah (2015), resource based view (RBV), argues that entrepreneurial competencies are valuable and intangible resources that lead to business success. Entrepreneurial competencies cannot singlehandedly ensure a business survival and success. Mitchelmore and Rowley (2010), human capital is an intangible asset that enables firms to be more successful. For the fact that competency in entrepreneurship is difficult and rare to develop by rivalries, entrepreneur abilities, knowledge and valuable skills may help firm to sustain competitive advantage. In today's competitive environment, the competencies of the entrepreneur highly influence business success. Understanding the changes that occur from venture's growth is vital because the ability and skills of entrepreneur for one phase may not be suitable for another phase (Mitchelmore & Rowley, 2010).

Strategic thinking, a component of strategic competency reveals organizations

leader's ability to advance upcoming vision and to take strategic action to address day to day operations (Stonehouse & Pemberton, 2002). Ability to think outside the box (conceptual competency) reflect the ability to stimulate new thinking designs and to advance concepts which may require unconventionality from the usual method of doing things (Michalko, 2000). The ability to identify and take advantage of opportunities (opportunity competency) is associated with the ability of the entrepreneur to find, develop and evaluate quality opportunities available in the market (Man, 2001). Ability to learn from various ways and means, keep entrepreneurs updated in the relevant field, learn proactively, and then apply learned knowledge and skills into practical activities is referred to as Learning Competency (Man, 2001). According to Orme and Ashton (2003), ethical competency is a pivotal aspect of a competency framework and is as well a preserver of corporate life. This competency according to Ahmad (2007) signifies the ability of transparency and honesty in business dealings by accepting mistakes and saying the truth. Technical Competency, involves the ability to adopt and use new skills including techniques of handling tools relevant to the business. It is the possession of knowledge of instruments (Ahmad *et al.*, 2010).

### **Strategic Competence**

Strategic competency is related to setting, assessing and executing firm's strategies (Man *et al.*, 2002). Ahmad *et al.*, (2010) posit that strategic competency is the entrepreneur's ability to supervise progress toward strategic goals, to align with the objectives of business, pointing out long-term issues, opportunities or risks, current actions to agree with strategic goals, match the outcome, redesign business to adequately attain long-term goals, determine strategic actions by measuring costs and benefits. It is also, the ability to formulate long term strategic plan that is in relation to the organization's vision and also enact strategies that will help achieve the plan (Stonehouse and Pemberton, 2002). Sparrow& Hodgkinson, (2006) puts that strategic competencies is the capacity and the steps taken to get information for organizations against competitors, to rather lead than follow and to have the capacity to respond to organization in the case of an emergency situation.

### **Relational competence**

According to Munier (2006), relational competences relate to take over entrepreneurs' ability to commit to certain vital functions of the firm and collaborative links with the current employees, external partners, and support structures throughout the three main stages of the project: before, during and after the takeover. This ability enhances entrepreneurial skills which help the entrepreneur succeed in the entrepreneurial activity.

In the relational perspective two entrepreneurs are said to engage in a mutually relation bringing their specific history and expectation. This implies the uniqueness of the set of relational thus formed (Monsted & Johannisson, 1997). The personal network of entrepreneur may therefore advance into a structured set of weak or strong ties, which will become structured between the entrepreneur's network and him/herself. Relational is structured in two ways. One, it refers to the competence to socialize various actors' to a vision of what the relation should be (Dubet, 2002). On the other

hand, it refers to the main actor's ability to institutionalize this vision of the relation through the establishment of organizational rules (Alter, 2003), in order to diffuse it throughout the organization and maintain it in the long term. Once preserved, the relational formed enables actors to associate with the organization. Relations are always contained in a specific context (Milburn, 2002). Each character must know his or her particular duty. Entrepreneurs with a clear understanding of relational alignment can ascertain their interventional scope: they understand adaptation with other actors and environment. Thus relational competence relates to the way actors can structure, build and modify relationships through their interactions.

### **Organizational Performance**

The idea of organizational performance is based on organization's voluntary association of productive resources, which includes physical, capital and human resources, in other to achieve a shared goal (Alchian & Demsetz, 1972; Barney, 2001; Jensen & Meckling, 1976; Simon, 1976). The value received will make providers of the assets to remain committed to the organization as long as they are satisfied, compared to other uses of the assets. Therefore, the consequential essence of performance is the formation of value. Assets will continually be at organization's disposal and organization will continue to strive as far as the value produced is equal or greater than the expected value of those contributing the assets. Different activities are performed by organizations to achieve their objectives. These activities are what utilizes processes for the success of an organization and are quantified in order to determine the performance level which in turn inform management decisions on where to initiate actions to enhance performance if need be. It can therefore be agreed that a close relationship exist between the concept of organizational performance and the organizational objective. Adam (2007) studied the dependence of organizational performance on the performance quality of employees. He opined that it is important to regularly expose the employees to recent happenings and changes in the market which ultimately enhance performance in order to ensure a high quality organizational performance. Organizational performance majorly focused on organization's ability to effectively and efficiently utilize resources available to achieve goals which are consistent with the company's set objectives (Peter, Gijsbers and Wilks, 2009).

### **Profitability**

Profitability is the ability to make profit from all the business activities of a company, enterprise, organization or firm. It reflects efficiency in the management's use of all available resources in making profit. According to Harward & Upton (2003), "profitability is the 'the ability of a given investment to earn a return from its use.'" (James, 2011). Though, profitability is a vital tool for measuring efficiency, the level of profitability cannot be considered a final proof of efficiency. At times, satisfactory profits can spot inefficiency and conversely, an appropriate level of efficiency can be accompanied by an absence of profit. The net profit figure shows a satisfactory balance between the values given and value receive. Operational efficiency changes is a factors on which enterprise's profitability depend largely. However, other factors apart from efficiency exist which also affect profitability (James, 2011).

### **Innovativeness**

Innovativeness which is the forerunner of innovation according literature represents the ability of a firm to innovate (e.g., Wang and Ahmed, 2004; Hult et al.2004; Hurley and Hult, 1998; Avlonitis et al.1994). This is so say that innovativeness should be considered competitive and strategic placement of an organization, and innovation as the means of achieving its competitive advantage, providing a clear rational vision of an input (innovativeness) and output (innovation) situation (Manu, 1992). Innovativeness, unlike innovation is not an end in itself but rather a means to an end (Menguc and Auch, 2006).

Innovativeness in Kundu and Katz (2003) view relate to the intention of organization to be innovative. Subramanian and Nilakanta (1996) describe innovativeness as the exhibition of innovative behaviour steadily and consistently by an organization. While for Stamboulis and Skyannis (2003), innovativeness means certain behavioural change as a reaction to some actions. According to Hult et al. (2004) innovativeness is the capacity of a firm to initiate fresh processes, products, or ideas in the organization. In Berthon et al. (1999) view innovativeness can be seen as enterprising, ability to be creative or innovative, open-mindedness, readiness to change. Avlonitis et al. (1994) opined that innovativeness is made up of behavioural and technological dimension symbolizing both readiness and a technological ability and commitment of the firm to innovate. Researchers like Amabile, (1997); Hurley and Hult, (1998) have agreed to the term “organization innovation orientation”, which expresses innovativeness as the organization’s general approach towards innovation. For Avlonitis et al. (2001) innovativeness expresses “newness”, in their definition innovativeness consistof various dimensions of newness both to the market and company.

### **Empirical Review**

Entrepreneurial competence has been linked to various positive organizational outcome over the years. Mahtab, Kouros, Mehdi and Saber (2015) did a work where they examined the effect of entrepreneurial competence on performance of business among the early stage entrepreneurs’ global entrepreneurship market. A survey design was adopted and fifty-nine (59) countries was covered in the study. Questionnaires was used in collecting data. The partial least square method was used in testing the hypothesis. The result revealed that entrepreneurial competence has a significant positive correlation of 0.24 with business performance.

Sánchez (2012) did a study on the influence of entrepreneurial competencies on the performance of small firm. The study was focused on the influence of entrepreneurial competencies on small enterprises’ performance by establishing a causal model obtaining data from Spanish entrepreneurs. The research revealed that entrepreneurial competence directly impact the performance of firm and plays a significant role in organizational competitive and capacity scope. It can be deduced therefore that organizational capabilities positively affects the performance of the firm and it partly mediates the relational between entrepreneurial competence and performance of firm.

Ibidunni, Atolagbe, Obi, Olokundun, Oke, Amaihian, Borishade and Obaoye (2018) did a work where they examined the how entrepreneurial orientation affect

entrepreneurial competencies and performance. The study adopted a descriptive design technique. Data was sourced primarily using questionnaire. A total population of 1500 senior managerial cadre employees was identified, and a sample of 316 employees were obtained from their study. However, 232 copies which represented 73.4% of the distributed questionnaire were made use of in the study. The simple random sampling was used. Data was analysed using hierarchical multiple regression. The outcomes shown that entrepreneurial competences have a linear influence on Agro-based SMEs performance.

Fabrizio, Paolo and Alessandra (2011) conducted a research on Entrepreneurial competencies and performance of firm: an empirical study. The individual competencies role of some sampled entrepreneurs of Italian SMEs and their impact on performance of business was their main focus. Using a different tools a relational with firm performance was examined considering the indicator of a multi-dimensional performance and some control variables. The results found that the portfolio of entrepreneurial competency has an impact on the performance of organization. It also revealed the importance for entrepreneurs to advance some explicit competencies so as to achieve higher performance.

### **3.0 METHODOLOGY**

The cross sectional survey which is a type of the quasi experimental design was used in this study because the studied variables were not within the control of the researcher. A total population of 171 managers and supervisors from 25 hotels and 10 tourism firm was covered in the study. These firms were selected based on easy access to information. The Krejcie and Morgan (1970) table for sample size determination was used in the study to arrive at 118 respondents. Questionnaire was used to obtain data from respondents. The systematic sampling techniques was adopted in this study because it is a probability sampling technique which give an equal chance to all element in the population to be selected in the study and it also provide a sample that is an accurate representative of the population and reduces possible bias in selection of sample cases. The dependent variable was operationalized in strategic competence and relational competence. Organizational performance was measured with profitability and innovativeness. The Cronbach alpha value for strategic competence and relational competence were 0.812 and 0.733 respectively. On the other hand, the Cronbach alpha value of profitability and innovativeness were 0.911 and 0.716 respectively. The hypotheses were tested using spearman's rank order correlation coefficient so as to determine the relationship between entrepreneurial competence and organizational performance.

### **4.0 RESULT**

A total of 118 questionnaires was distributed to respondent, however, only 107 (90.7%) copies were returned and used for the study. The hypotheses test was undertaken at a 95% confidence interval implying a 0.05 significant level.

#### **Decision Rule:**

Where  $P < 0.05$  = Reject the null hypotheses

Where  $P > 0.05$  = Accept the null hypotheses

**HO<sub>1</sub>:** There is no significant relationship between strategic competence and profitability of hospitality firms in Rivers State, Nigeria.

**Table 1** Strategic Competence and Profitability

<b>Correlations</b>			Strategic Competence	Profitability
Spearman's rho	Strategic Competence	Correlation Coefficient	1.000	.423
		Sig. (2-tailed)	.	.000
		N	107	107
	Profitability	Correlation Coefficient	.423	1.000
		Sig. (2-tailed)	.000	.
		N	107	107

Source: SPSS Output, 2019

**Hypothesis one:** the result of the analysis reveals a substantial relationship between strategic competence and profitability ( $\rho = .423$  and  $p = 0.000$ ) hence, we accept the alternate hypothesis while the null hypothesis is rejected.

**HO<sub>2</sub>:** There is no significant relationship between strategic competence and innovativeness of hospitality firms in Rivers State, Nigeria.

**Table 2** Strategic Competence and Innovativeness

<b>Correlations</b>			Strategic Competence	Innovativeness
Spearman's rho	Strategic Competence	Correlation Coefficient	1.000	.322
		Sig. (2-tailed)	.	.000
		N	107	107
	Innovativeness	Correlation Coefficient	.322	1.000
		Sig. (2-tailed)	.000	.
		N	107	107

Source: SPSS Output, 2019

**Hypothesis two:** the analysis reveals a significant relationship between strategic competence and innovativeness ( $\rho = .322$  and  $p = 0.000$ ). this shows that strategic competence relates positively with innovativeness. Hence the null hypothesis was rejected and the alternate hypothesis was accepted.

**HO3:** There is no significant relationship between relational competence and profitability of hospitality firms in Rivers State, Nigeria.

**Table 3** Relational Competence and Profitability

<b>Correlations</b>			Relational Competence	Profitability
Spearman's rho	Relational Competence	Correlation Coefficient	1.000	.631
		Sig. (2-tailed)	.	.001
		N	107	107
	Profitability	Correlation Coefficient	.631	1.000
		Sig. (2-tailed)	.001	.
		N	107	107

Source: SPSS Output, 2019

**Hypothesis three:** the result of the analysis shows a significant correlation between relational competence and profitability ( $\rho = .631$  and  $p = 0.001$ ). Hence we find that relational competence is associated with profitability and based on the decision rule of  $p < 0.05$  for null rejection; we therefore rejected the null and accepted the alternate hypothesis.

**HO<sub>4</sub>:** There is no significant relationship between relational competence and innovativeness of hospitality firms in Rivers State, Nigeria.

**Table 4** Relational Competence and Innovativeness

<b>Correlations</b>			Relational Competence	Innovativeness
Spearman's rho	Relational Competence	Correlation Coefficient	1.000	.274
		Sig. (2-tailed)	.	.000
		N	107	107
	Innovativeness	Correlation Coefficient	.274	1.000
		Sig. (2-tailed)	.000	.
		N	107	107

Source: SPSS Output, 2019

**Hypothesis four:** the result of the bivariate analysis reveals that there exists significant correlation between relational competence and innovativeness ( $\rho = .274$  and  $p =$

0.000) given that the P-value was less than 0.05. the null hypothesis was rejection and the alternate hypothesis was accepted.

## **5.0 DISCUSSION OF FINDINGS**

The bivariate analysis revealed that entrepreneurial competences relates significantly with organizational performance. This shows that an enhancement in the competence of an entrepreneur will lead to higher organizational performance. The detail discussion is given below;

### **Strategic Competence and Profitability**

Based on the bivariate analysis, the result revealed that strategic competence has a significant positive correlation with profitability. This is on the basis that the p-value of 0.000 was less than the level of significance ( $p=0.000<0.05$ ). The rho(r) value of 0.423 implies that strategic competence has a moderate positive correlation with profitability. When strategic competence increases, the profitability of the firm also increases moderately. Furthermore, the coefficient of determination ( $r^2$ ) of 0.179 shows that 18% variation in profitability of the hotel is accounted for by strategic competence. Thus enhancing the strategic competence of a firm will subsequently result in higher profitability. This finding is in alignment with that of Sánchez (2016) whose findings indicated that organizational capabilities positively affect the performance of firm and it mediates partially the relational between performance of firm and entrepreneurial competence.

### **Strategic Competence and Innovativeness**

From the result of the analysis, it was revealed that strategic competence has a significant relationship with innovativeness with a p-value of 0.000 ( $p=0.000 < 0.05$ ). Since the p-value was less than 0.05 which is the significant level, it means that there is a significant correlation. The null hypothesis was thereby rejected and the alternate hypothesis was accepted. Again, the rho (r) value of 0.322 shows a positive relationship. This means that strategic competence positive influences the level of innovativeness in hotels. The coefficient of determination ( $r^2$ ) of 0.104 implies that 10% variation in innovativeness in hotels is accounted for by strategic competence in the organization. This study is in agreement with that of Fabrizio, Paolo and Alessandra (2011) which observed that the entrepreneurial competency portfolio has an impact on the organizational performance. It also showed that, it is of utmost importance for entrepreneurs to develop some specific competencies in order to obtain a higher performance.

### **Relational Competence and Profitability**

The analysis of the bivariate hypothesis show that relational competence has a noteworthy correlation with profitability of hotels in Rivers State. The significant value of 0.001 was lesser than 0.05 (level of significant). Thus, the null hypothesis was rejected and the alternate hypothesis was accepted. The rho (r) value of 0.631 shows that relational competence has a very high correlation relational with profitability of hotels in Rivers State. The higher the relational competence, the higher the profitability of the firm. The coefficient of determination of 0.398 shows that 39.8% variation in profitability

in hotels is accounted for by relational competence. Hence, the higher the relational competency of the entrepreneur, the higher the profitability. This finding is in agreement with that of Ibadunni, Atolagbe, Obi, Olokundun, Oke, Amahian, Borishade and Obaoye (2018) which revealed that entrepreneurial competences have a linear influence on Agro-based SMEs performance.

### **Relational Competence and Innovativeness**

The result of the correlation which examined if relational competence relates with innovativeness shows a significant relational with p-value of 0.000 which was less than 0.05 ( $p = 0.000 < 0.05$ ). The null hypotheses were rejected and the alternate hypothesis was accepted. The rho (r) value was 0.274 which implies a low positive correlation between relational competence and innovativeness. An entrepreneurial relational competence is relevant and has a positive relational in ensuring higher innovativeness of the organization. However, the coefficient of determination ( $r^2$ ) was 0.0750. This implies that 7% of the total variation in hotels can be explained by relational competence. The boosting of relational competence of an entrepreneur will subsequently result in increase in innovativeness but to a very low level. This finding is in alignment with that of Mahtab, Kourosh, Mehdi and Saber (2015) which revealed that entrepreneurial competence has a significant positive correlation of 0.24 with business performance.

## **6.0 CONCLUSION AND RECOMMENDATION**

The competence of an entrepreneur is seen as a foundation in driving the performance of organization. The strategic competence of an entrepreneur will go a long way to boosting the ability of the firm in actualizing their goals. The competences of an entrepreneur is seen as a driving force which help enhance the fortune of any establishment. When there is a cordial relational competence such will help retain present customers and help attract more customers to the organization which will to a great extent improve the wellbeing of the firm. No organization can thus be able to withstand the stiff nature of the business world when the organization lack the requisite competences necessary in enhancing the profitability and innovativeness of the firm. Conclusively, The higher the competence of entrepreneurs in terms of strategic competences and relational competences, the higher the total performance of the organization in terms of profitability and innovativeness. Thus, drawing from the findings and conclusion of the study, the following recommendations are proffered;

1. The managers and entrepreneurs of the hospitality firms should consistently update their skills in order to effectively map out strategy that will help enhance the performance of the organization.
2. The management of the hospitality firms should set appropriate measures in place to monitor any strategic action in the organization in order to ensure that it is in alignment with the strategic goals of the firm.
3. the managers of the various hospitality firms should be well trained in order to enhance their strategic competence and also boost their relational competence with divers stakeholders, as such will help boost the firms' goodwill and thus increase their profitability.

4. The management of the hospitality firm should be trained on how to effectively make strategic decisions through conceptual skills in order to drive the organization toward their targeted goal.
5. The management of the hospitality firms should improve in their relational competences through deliberate effort in order to enhance the performance of the organization.

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