

## Exploring the Holistic Alignment of Organizational Structure and Corporate Strategy for Sustainable Competitive Advantage in Cross River State's Hospitality Industry

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### Abstract

*Cross River State's hospitality sector faces persistent challenges in aligning organizational structure with corporate strategy, resulting in reduced competitiveness, lower customer satisfaction, and weakened culture. Prior research emphasizes integrating task allocation, coordination, and supervision with visioning, objective setting, and resource allocation as a solution. A survey research design was used to assess the influence of organizational structure on corporate strategy in the local hospitality industry. Data, gathered from 369 valid questionnaire responses distributed among various hospitality segments, was analyzed using simple linear regression and the Statistical Package for Social Sciences (SPSS). The study's findings reveal significant relationships between key elements of organizational structure and corporate strategy in the hospitality industry. Task allocation significantly affects visioning, coordination has a substantial impact on objective setting, and supervision plays a crucial role in resource allocation. Proactive alignment of organizational structure elements with corporate strategy is essential for the hospitality industry in Cross River State, Nigeria. It improves competitive advantage, customer satisfaction, performance, and organizational culture. This alignment fosters growth and sustainability in a dynamic business landscape.*

**Keywords:** Hospitality industry, organizational structure, corporate strategy, task allocation, coordination

### Introduction

The hospitality industry has evolved in phases in Nigeria. Abomeh (2012) states that the establishment of catering guest houses by the government in the 1920s and other catering guest houses across the country in the 1950s marked the beginning of what turned out in the later years to form the core part of the hospitality businesses in Nigeria. Hospitality businesses established in the early years of Nigeria were initially built and run by the government and located at very important seaports, railway terminals or important towns and regional capitals. In 1923 and 1931, the European Rest House was established at Port Harcourt and Lagos (Eneji, Enamhe & Itita, 2021; Akah, & Enamhe, 2021). The introduction of different institutions such as guest houses, hotels, staff canteens and staff clubs form the most important development phase of the hospitality industry in Nigeria. The hotel and quick service restaurant (QSR) sectors have been the major movers in the hospitality industry in Nigeria. The Nigeria hotel industry began with the opening of Ann's Inn (later to become Lagos Airport Hotel) in 1942. In the absence of a vibrant private sector, the government took the lead in investing in the sector, a trend that continued until the return of democracy in 1999 and the privatization of most of the government-owned hotels. According to the findings of Timothy and Samson (2014), the Nigerian hospitality industry has contributed significantly to the socioeconomic development of the country. The hospitality industry has shown tremendous strength in the aspect of human capital and structural development (Ajake, 2015).

According to the National Bureau of Statistics (2015), Nigeria's tourism sector directly contributed N1.5 billion and 1.7 percent to the Gross Domestic Product (GDP). It is projected that the hospitality industry will cause a 2.4 percent growth in GDP by mid-2015 and will rise by 5.8 percent per annum in 10 years. In Cross River State, the hospitality industry in faces a critical issue of misalignment between organizational structure elements (task allocation, coordination, and supervision) and corporate strategy components (visioning, objective setting, and resource

allocation) (Ingwe, Ada, & Adalikwu, 2015; Ingwe, Ada, & Adalikwu, 2013). This misalignment has led to several challenges that hinder the industry's success, thus forming the central problem statement.

The hospitality industry in Cross River State, Nigeria, grapples with the significant problem of misalignment between its organizational structure elements and corporate strategy components. This misalignment has resulted in a series of adverse consequences, including reduced competitive advantage, diminished customer satisfaction, decreased organizational performance, and weakened organizational culture (Ewah, Ekeng & Ada, 2009; Ingwe, Ada, & Angiating, 2014; Etim, Ndem, Inyang, & Ada, 2023). These issues have arisen due to the failure to effectively integrate and synchronize task allocation, coordination, and supervision with visioning, objective setting, and resource allocation. To address this problem, there is a pressing need for research and interventions aimed at achieving a better alignment of organizational structure and corporate strategy within the local hospitality industry. This study is aimed at assessing the effect of organizational structure on the corporate strategy of the hospitality industry in Cross River State, Nigeria. In doing this, it aims to answer the following questions. What is the effect of task allocation on visioning in the hospitality industry in Cross River State, Nigeria? What is the effect of coordination on objective setting in the hospitality industry in Cross River State, Nigeria, and is there an effect of supervision on resource allocation in the hospitality industry in Cross River State, Nigeria

## **Materials and Methods**

### ***Design***

Employing a survey research design, we investigate these dynamics by studying samples drawn from a population, (Osuala, 2001; Enamhe, Erukoha, Angioha, & Kusi, 2022; Ada, Akan, Angioha, & Enamhe, 2021; Ada, & Akan, 2019). Utilizing a quantitative data collection method, primarily through questionnaires, we aim to evaluate the interplay between organizational structure and corporate strategy. Our questionnaire is divided into two sections: demographic information (Section A) and statements assessing respondents' perspectives on structure and strategy (Section B), using a Likert scale (1-5).

### ***Population and Sampling***

The population of this study consists of staff from the four basic components of the hospitality industry in Cross River State, Nigeria: Hotel, Food and Beverage, Recreation and Entertainment, and Travel and Tourism. The total number of staff that made up the population of the study is 669. This figure was derived at the time of the survey and the breakdown of staff for each of the basic components of hospitality in Cross River State, Nigerian is illustrated in TABLE 1.

**Table 1: Number of Staff in the Basic Components of Hospitality Industry in Cross River State, Nigeria**

S/NO	BASIC COMPONENTS	NUMBER OF BUSINESSES	NUMBER OF STAFF
1	Hotel	12	578
2	Food and Beverage	3	20
3	Recreation and Entertainment	4	46
4	Travel and Tourism	4	25
	<b>Total</b>	<b>23</b>	<b>669</b>

**Source: Field survey, 2023**

For the study sample, a total of 373 samples were used for the study. This was arrived at using the Taro Yamane (1973) Sample Size Determinant Technique. In other to obtain a sample that

properly represents the population of each business of the basic components of the hospitality industry, a stratified random sampling was used to select staff from each business based on their staff strength.

### Data Analysis

The data gathered for this study was summarized and tabulated using tables and percentages. The data was analyzed using simple linear regression. Since the study sought to establish the effect of organizational structure on corporate strategy, simple linear regression was the appropriate analytical technique because it tests causal relationship or effect between two variables. The analysis was done with the aid of a statistical package for social sciences (SPSS) software.

**Table 2: Administration of questionnaires**

No of Questionnaire Administered	No of Questionnaire Returned	No of Questionnaire Not Returned	(%) of Returned	(%) of Not Returned
373	369	4	98.92	1.08

Source: field survey, 2023.

Table 2 shows that a total number of 373 copies of questionnaires were distributed and 369 of the administered questionnaires were filled and returned valid for presentation and analyses.

## Results

### Demographic distribution of respondents

From Table 3, 87 respondents representing (23.6%) had SSCE academic qualifications, 70 respondents representing (18.9%) had ND/NCE academic qualifications, 160 respondents representing (43.4%) had HND/B.Sc academic qualification and 52 respondents representing (14.1%) had postgraduate academic qualifications. 187 respondents representing (50.7%) had 1-10 years of work experience, 119 respondents representing (32.2%) had 11-20 years of work experience, and 63 respondents representing (17.1%). 285 respondents representing (77.2%) were under the hotel segment of the hospitality industry, 19 respondents representing (5.1%) were under the food and beverage segment of the hospitality industry, 41 respondents representing (11.2%) were under the recreation and entertainment segment of the hospitality industry and 24 respondents representing (6.5%) were under travel and tourism segment of the hospitality industry.

**TABLE 3: Socio-demographic distribution of data**

Name	Number	Percentage
<b>Academic qualification</b>		
SSCE	87	23.6
ND/NCE	70	18.9
HND/B.Sc	160	43.4
Postgraduate	52	14.1
Total	369	100.0
<b>Years of work experience</b>		
1-10 years	187	50.7
11-20 years	119	32.2
21 years and above	63	17.1
Total	369	100.0
<b>Hospitality segment</b>		
Hotel	285	77.2
F&B	19	5.1
R&E	41	11.2
T&T	24	6.5
Total	369	100.0

Source: Field survey, 2023

## Presentation of Results

### Hypothesis one

Ho1: Task allocation has no significant effect on visioning in hospitality industry of Cross River State, Nigeria.

The hypothesis is to test if independent variable (task allocation) has significant effect on the dependent variable (visioning) in hospitality industry of Cross River State, Nigeria. Based on this, the significant effect between the independent variable and dependent variable was calculated using simple linear regression with the help of Statistical package for social sciences (SPSS).

**TABLE 4: Simple linear regression Model summary of the effect of task allocation on visioning in hospitality industry in Cross River State, Nigeria**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720 <sup>a</sup>	.519	.518	.21164

a. Predictors: (Constant), Task allocation

Source: field survey, 2023.

Table 4 provides us with the R and R<sup>2</sup> values. The R value represents the simple correlation and is 0.720 (the “R” column), which indicates a high degree of correlation. The R<sup>2</sup> value (the “R Square” column) also called coefficient of determination indicates whether the model is good or not. From the model summary table, the value of R Square is 0.519 which can be interpreted that the variation of visioning variable of 51.9% can be explained by the variation of task allocation variable.

**TABLE 5: Simple linear regression Anova of the effect of task allocation on visioning in hospitality industry in Cross River State, Nigeria**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.726	1	17.726	395.735	.000 <sup>b</sup>
	Residual	16.439	367	.045		
	Total	34.165	368			

a. Dependent Variable: Visioning

b. Predictors: (Constant), Task allocation

Source: field survey, 2023.

Table 5 shows that F- ratio in the Anova table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, df (1, 367), F Value = 395.735, p<.005. The regression model is a good fit of the data which means that task allocation has significant effect on visioning in hospitality industry in Cross River State, Nigeria.

**TABLE 6: Simple linear regression Coefficient of the effect of task allocation on visioning in the hospitality industry in Cross River State, Nigeria**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.167	.135		8.669	.000
	Task allocation	.646	.032	.720	19.893	.000

a. Dependent Variable: Visioning

Source: field survey, 2023.

Table 14 provides necessary information to predict visioning from task allocation, as well as determine whether visioning contributes statistically to the model. The coefficient value of task allocation variable is .646 with a p-value less than 0.05, meaning that task allocation has a significant effect on visioning. The task allocation variable is positive, meaning that an improvement in task allocation increases the organization chance of achieving its vision.

### Hypothesis two

Ho2: Coordination has no significant effect on objective setting in hospitality industry of Cross River State, Nigeria.

The hypothesis is to test if independent variable (coordination) has significant effect on the dependent variable (objective setting) in hospitality industry of Cross River State, Nigeria. Based on this, the significant effect between the independent variable and dependent variable was calculated using simple linear regression with the help of Statistical package for social sciences (SPSS).

**TABLE 7: Simple linear regression Model summary of the effect of coordination on objective setting in hospitality industry in Cross River State, Nigeria**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744 <sup>a</sup>	.554	.553	.23518

a. Predictors: (Constant), Coordination

**Source: field survey, 2023.**

Table 7 provides us with the R and R<sup>2</sup> values. The R value represents the simple correlation and is 0.744 (the “R” column), which indicates a high degree of correlation. The R<sup>2</sup> value (the “R Square” column) also called coefficient of determination indicates whether the model is good or not. From the model summary table, the value of R Square is 0.554 which can be interpreted that the variation of objective setting variable of 55.4% can be explained by the variation of coordination variable.

**TABLE 8: Simple linear regression Anova of the effect of coordination on objective setting in the hospitality industry in Cross River State, Nigeria**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.229	1	25.229	456.138	.000 <sup>b</sup>
	Residual	20.299	367	.055		
	Total	45.528	368			

a. Dependent Variable: Objective setting

b. Predictors: (Constant), Coordination

**Source: field survey, 2023.**

Table 8 shows that F-ratio in the Anova table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, df (1, 367), F Value = 456.138, p<.005. The regression model is a good fit of the data which means that coordination has significant effect on objective setting in hospitality industry in Cross River State, Nigeria.

**TABLE 9: Simple linear regression Coefficient of the effect of coordination on objective setting in hospitality industry in Cross River State, Nigeria**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1	(Constant)	.967	.135	7.153	.000
	Coordination	.668	.031	21.357	.000

a. Dependent Variable: Objective setting

Source: field survey, 2023.

Table 9 provides the necessary information to predict objective setting from coordination, as well as determine whether objective setting contributes statistically to the model. The coefficient value of the coordination variable is .668 with a p-value less than 0.05, meaning that coordination has a significant effect on the objective setting. The coordination variable is positive, meaning that an improvement in coordination increases the organization's chance of achieving its set objective.

### Hypothesis three

Ho3: Supervision has no significant effect on resource allocation in the hospitality industry of Cross River State, Nigeria.

The hypothesis is to test if the independent variable (supervision) has a significant effect on the dependent variable (resource allocation) in hospitality industry of Cross River State, Nigeria. Based on this, the significant effect between the independent variable and dependent variable was calculated using simple linear regression with the help of the Statistical Package for Social Sciences (SPSS).

**TABLE 10: Simple linear regression Model summary of the effect of supervision on resource allocation in the hospitality industry in Cross River State, Nigeria**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777 <sup>a</sup>	.604	.603	.17785

a. Predictors: (Constant), Supervision

Source: field survey, 2023.

Table 10 provides us with the R and R<sup>2</sup> values. The R value represents the simple correlation and is 0.777 (the "R" column), which indicates a high degree of correlation. The R<sup>2</sup> value (the "R Square" column) also called coefficient of determination indicates whether the model is good or not. From the model summary table, the value of R Square is 0.604 which can be interpreted that the variation of resource allocation variable of 60.4% can be explained by the variation of supervision variable.

**TABLE 11: Simple linear regression Anova of the effect of supervision on resource allocation in hospitality industry in Cross River State, Nigeria**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.678	1	17.678	558.893	.000 <sup>b</sup>
	Residual	11.609	367	.032		
	Total	29.287	368			

a. Dependent Variable: Resource allocation

b. Predictors: (Constant), Supervision

Source: field survey, 2023.

Table 11 shows that F- ratio in the Anova table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable,  $df(1, 367)$ ,  $F \text{ Value} = 558.893$ ,  $p < .005$ . The regression model is a good fit of the data which means that supervision has significant effect on resource allocation in hospitality industry in Cross River State, Nigeria.

**TABLE 12: Simple linear regression Coefficient of the effect of supervision on resource allocation in hospitality industry in Cross River State, Nigeria**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1	(Constant)	.652	.156	4.183	.000
	Supervision	.791	.033	23.641	.000

a. Dependent Variable: Resource allocation

Source: field survey, 2023.

Table 12 provides necessary information to predict resource allocation from supervision, as well as determine whether resource allocation contributes statistically to the model. The coefficient value of supervision variable is .791 with a p-value less than 0.05, meaning that supervision has a significant effect on resource allocation. The supervision variable is positive, meaning that an improvement in supervision increases the organization chance of allocating it scarce resource to areas where optimal productivity will be enhanced.

### Discussion of findings

The first finding states that task allocation has a significant effect on visioning in the hospitality industry in Cross River State, Nigeria. The first finding suggests that task allocation significantly affects the visioning process in the hospitality industry of Cross River State, Nigeria. This observation is substantiated by Thomas (2016), who emphasized that different strategies may necessitate variations in organizational structure. This is particularly relevant in a dynamic and competitive environment like the hospitality industry, where the alignment of strategy and structure is crucial for success. Thomas's assertion that the misalignment of strategy and structure can lead to severe consequences underscores the practical importance of this finding. It underscores that a well-defined organizational structure alone is insufficient for the effective execution of a strategy. Rather, businesses operating in the hospitality industry must leverage both internal mechanisms and external market coordination and control strategies to optimize performance.

Furthermore, this finding is consistent with Minisha's (2015) study, which emphasizes that strategic changes often lead to corresponding changes in organizational structure. Such alignment of findings underscores the need for adaptability in the hospitality industry, allowing organizations to efficiently realign their structures in response to evolving market conditions. Additionally, Mullin's (2010) assertion regarding the close relationship between organizational structure and corporate strategy lends further credibility to this result.

The second finding highlights the significant impact of coordination on the process of objective setting in the hospitality industry of Cross River State, Nigeria. As per the findings of Minisha (2015), strategic changes can bring about modifications in the organizational structure, suggesting that the alignment of structure and strategy must be considered when setting objectives. Thomas's (2016) research further supports this finding by emphasizing the challenges of maintaining alignment between strategy and structure when confronted with changes in the external competitive environment. The severe consequences of misalignment highlighted by Thomas serve as a clear warning for businesses operating in the hospitality industry.

This finding underscores the need for a proactive approach to coordination, as businesses must adapt to changing conditions and align their structures and strategies accordingly. Just like the first finding, this result also aligns with Mullin's (2010) assertion regarding the close relationship between organizational structure and corporate strategy. This consistent reinforcement from different studies underscores the importance of considering coordination in the objective-setting process within the hospitality industry.

The third finding suggests that supervision plays a significant role in resource allocation within the hospitality industry in Cross River State, Nigeria. This finding, again, aligns with Minisha's (2015) study, which suggests that strategic changes are often accompanied by changes in organizational structure. In a dynamic industry like hospitality, where resources are often limited and must be allocated efficiently, the need for alignment between supervision and resource allocation is critical. Thomas's (2016) research further supports this finding by highlighting the challenges of maintaining alignment between strategy and structure, which inevitably affects how resources are allocated. The severe consequences of a misalignment underscore the potential risks faced by organizations that fail to consider the relationship between supervision, structure, and resource allocation. As with the previous findings, Mullin's (2010) assertion about the close relationship between organizational structure and corporate strategy reinforces the importance of considering supervision in the resource allocation process.

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