

Research article

Competitive Strategy of 4-Star Hotels Based on the Entrepreneurial Behavior of VUCA in Makassar City

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Abstract.

Many businesses have been severely impacted by the COVID-19 pandemic, including those in the catering, hotel, and tourism industries. As a result, in addition to posing a threat to public health, COVID-19 has caused economic losses. VUCA must be resilient enough to survive in the current pandemic situation. This study focused on four four-star hotels in Makassar, namely Hotel Gammara, Hotel Citadines, Hotel Mercure, and Hotel Harper Perintis. Questionnaires and interviews were used to collect the data. 138 out of 187 people filled in the questionnaire. Structural equation modeling was used to analyze the data. The findings of this study have implications for researchers, hoteliers, and policymakers, particularly in terms of increasing competitiveness through entrepreneurship development.

Keywords: strategy, entrepreneurship, hotel, VUCA era

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1. Introduction

The process of entrepreneurship in tourism sector actors, in general, is still widely ignored in the field of entrepreneurial research [1]. [2] argue that the relationship between tourism and entrepreneurship is a distinct theme that is not addressed in any way that takes advantage of the inherent synergies between the two fields. The subject of entrepreneurship has been studied from many disciplines, however, contributions to the understanding and knowledge of the entrepreneurial shapers of the tourism sector still fail to explain the link between entrepreneurship and competitiveness [3]

Interestingly, the factors that spread volatility, uncertainty, complexity, and ambiguity (VUCA) are challenging globally, seemingly closely related to the collaborative practices and initiatives they serve [4, 5]. VUCA's challenges and the global landscape context it represents align with the results promoted by collaborative efforts, and they also emphasize the need for a collaborative mindset towards this global landscape context

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and the opportunity to compete far beyond geographical constraints. Some governments have taken emergency measures due to the rapid spread of the epidemic, such as quarantines and city closures. Many companies, such as the catering industry, the hotel industry, and the tourism industry, have been significantly affected. [6] Therefore, in addition to threats to public health, Covid-19 has inflicted losses on the real economy. Covid-19 is a microcosm of VUCA complexity and uncertainty. In the current situation, the company must be resilient enough to survive [7].

The development of service industries such as telecommunication, transportation, banking, and hospitality is growing rapidly [8]. The growth of the service industry in South Sulawesi as the midpoint of Indonesia still has prospects with natural beauty and diverse cultures, one of which is the hospitality industry that is growing very rapidly. In the star hotel sector in the 2019 period decreased and the number of foreign tourists (tourists) who came through the entrance of Makassar in October 2019 reached 1,440 visits. The number of tourists decreased by 5.08 percent when compared to the number of tourists in September 2019 which reached 1,517 visits. Meanwhile, when compared to October 2018, there was an increase of 21.31 percent, where the number of visits in October 2018 amounted to 1,187 visits [6].

The room occupancy rate (TPK) of star classification hotels in South Sulawesi in October 2019 decreased by 3.20 points compared to TPK in September 2019, from 56.55 percent in September 2019 to 53.35 percent in October 2019. When compared to October 2018, TPK hotel star classification in October 2019 rose 0.67 points whereas in October 2018 by 52.68 percent.

Makassar city is one of the tourist destinations in Indonesia. As a tourist area, Makassar is a strategic land for the development of the service industry sector, especially hotels as a means of accommodation for tourists. The opportunity to invest in this subsector is supported by several things, namely safe and peaceful environmental conditions in an ethnically homogeneous region, a strategic location at the cross point of Indonesia, infrastructure that includes an international airport, modern public buildings and facilities, a wide range of tourist attractions and cultural activities inspired by one of the oldest and most interesting civilizations, as well as a fairly busy flight schedule to the capital city of Surabaya, Jakarta, Bali and Papua, each of which is taken in less than two hours.

The number of hotels that have sprung up causes competition, this is certainly a challenge for companies engaged in hospitality to be able to survive and reform in making a competitive strategy plan for their companies, where currently the market determines everything, competition between hotels will be increasingly tight to win

the competition, hotels compete with each other to know the competitive conditions. Companies that apply an entrepreneurial orientation will have traits such as product innovation, market, risk-taking, and proactive in making competitive strategy innovations [9–11].

Entrepreneurship is not always synonymous with what entrepreneurs do and have, but entrepreneurship is the value, ability, and behavior of a person in the face of life's challenges to gain opportunities with various risks that may face. According to [12] entrepreneurship is a creative and innovative ability to create something new and different that serves as the basis, tips and resources, processes, and struggles to create added value for goods and services that are done with courage and risk in effort or improvement of life to find opportunities to succeed in determining competitive strategies.

Entrepreneurial behavior can be seen in employees at this hotel can be in the form of having a confident personality, identifying tasks and results by prioritizing the motivation of achievement, having a good ability to manage work risks, having ideal leadership characteristics, creative and innovative and optimistic looking to the future. Some of these employees' entrepreneurial behaviors are certainly very supportive of this hotel in increasing competitiveness amid fluctuations in the tourism market.

In recent decades, there has been an increasing interest in entrepreneurship in hospitality and tourism companies. Much of the literature on economics has conducted a review of entrepreneurship motivation and behavior in managers and employees working in hospitality. Most of these individuals are lifestyle-oriented and do not seek to develop their business or profession [13]. The main objective in the formulation of the strategy is for the company to be able to look objectively at the internal and external conditions of the company so that the company can anticipate changes in the company's external environment, the strength and strength of the company, the resources that exist in the company, and also see opportunities that have not been utilized by the company in increasing competitiveness [14].

Superior performance in the hospitality business that can be achieved as a result of implementing the right business strategy. [15] explained that the advantage of competing is the result of the implementation of strategies that utilize the company's resources. The company's ability to develop the expertise of its employees well will make the company superior and the implementation of human resource-based strategies will be difficult to imitate by its competitors. The management of star and non-star hotels in Makassar City has sought to plan and implement marketing strategies to achieve their marketing goals but no one has maintained and improved competitiveness by building

entrepreneurial behavior and customer relationships towards competitive strategies, amid intense competition from the hospitality industry for the target market, this is something interesting to study positively. empirical through this research.

2. Literature Review

Research is testing the causal relationship between entrepreneurial behavior and variable customer relationships and competing strategies as well as the competitiveness. Data collection is done through surveys with data collection instruments in the form of questionnaires. Research is complemented by interviews to deepen understanding of causal relationships between variables. The study used Structural Equation Modeling (SEM) as an analysis technique.

In the context of SEM, entrepreneurial behavior and relationships with customers are exogenous latent variables, and strategies compete as intervening variables. With SEM analysis in meeting classical assumptions, among others: (1) sample size, (2) normality test, (3) linearity test, (4) multicollinearity test, (5) autocorrelation test, and (6) heteroskedasticity test.

The population of the study was all employees of Hotel Gammara, Hotel Citadines, Hotel Mercure, and Harper Perintis Hotel. Members of the population are employees who have criteria of employment contracts, this is also done taking into account cost efficiency, time, effort as a consequence of research. The population in this institution reached 187 people. The number of samples in the study that returned the instrument was 138, so researchers used the Total sampling method by taking an entire population of 187 people as samples. The technique of determining samples in this case uses saturated sampling techniques.

This is done because the population is relatively small, in addition, researchers want to make generalizations with very small errors. Another term sample above is a census, where all members of the population are used as research samples.

3. Discussion

Attitude and behavior are the unity of a person's nature that is formed due to daily habits. Entrepreneurial behavior is influenced by internal and external factors. These factors are property rights, PR, ability/competence (competency/capability), and incentives, while external factors include the environment (environment). Thus attitudes and behaviors can be changed by yourself and or by environmental pressures/ influences.

The influence from within yourself and from outside the environment of getting along then grows the attitudes and behaviors of specific individuals.

As an entrepreneur, you have specific basic attitudes. An entrepreneur has a firm attitude of wanting to be entrepreneurial. The variables of entrepreneurial behavior were revealed by questionnaires distributed to respondents directly consisting of 7 indicators, namely teamwork (X1.1), involvement in marketing (X1.2), maintaining customer relationships (X1.3), commitment (X1.4), creativity (X1.5), risk-taking courage (X1.6), and future orientation (X1.7).

Measurement of these indicators is done quantitatively, namely through the provision of scores on respondents' perceptions of entrepreneurial behavior. Per indicator perception of respondents can be presented in tables and explanations of the per indicator. Description of entrepreneurial behavior variables on the indicators of teamwork (X1.1), involvement in marketing (X1.2), maintaining customer relationships (X1.3), commitment (X1.4), creativity (X1.5), risk-taking courage (X1.6), and future orientation (X1.7) obtained the picture that the average value is between 4.1159 to 4.3768.

3.1. Entrepreneurship Behavior of 4-Star Hotels

In this study, entrepreneurial behavior consisted of seven indicators or variables observed (manifest) namely: Desire for responsibility (X1.1), Involvement in marketing (X1.2), Maintaining customer relationships (X1.3), Commitment (X1.4), Creativity (X1.5), Courage to take risks (X1.6), and Future Orientation (X1.7). To test whether the seven indicators or manifest variables are valid and real indicators in explaining the construct of entrepreneurial behavior variables, it is analyzed using the LISREL 8.80 application program can be presented in the image of the results of the Confirmatory Factor Analysis (CFA) analysis. The results of the analysis can be seen in Figure 1 as follows:

Information:

PK= Entrepreneurial Behavior X1.1= Desire for responsibility X1.4= High level of energy
X1.5= Future orientation

X1.6= Skill at organizing

X1.7= Value of achievement over money

A summary of the results of analysis and interpretation of the validity of entrepreneurial behavior variables can be presented in Table 1 as follows:

Based on Table 1 and the output results of the loading standard above it can be concluded that the manifest variable of entrepreneurial behavior, can be seen with a

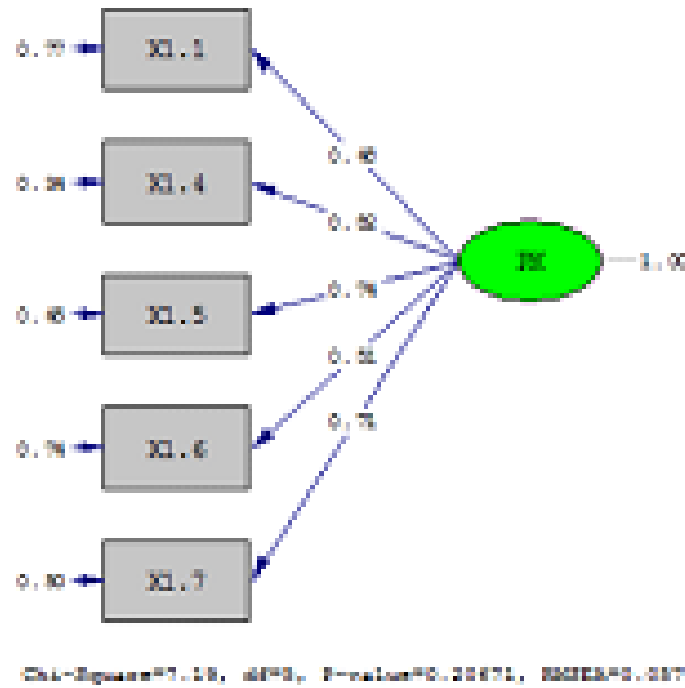


Figure 1: Entrepreneurship Behavior Construct Validity Test.

TABLE 1: Validity of Entrepreneurship Behavior Construct.

Manifest Variable	PK	R2	T-Value	Information
X1.1	2,91	0,54	5,44	Valid
X1.4	0,37	0,04	10,37	Valid
X1.5	2,83	0,31	9,15	Valid
X1.6	0,65	0,11	5,81	Valid
X1.7	0,27	0,03	8,70	Valid

value of T- value ≥ 1.97 or 2. Therefore, the entire lambda coefficient or loading factor of each manifest proved valid. Then the construct of entrepreneurial behavior is declared to have met the requirements. In addition, to strengthen the unidimensional test of constructs, it can be proven by using the match rate of the single construct test model, namely in Table 2 as follows:

From Table 2 above it is proven that the entrepreneurship behavior construct meets the requirements as a construct that is perfectly fused. The findings of this study suggest that entrepreneurial behavior through competing strategies has a positive and significant influence on the competitiveness of 4-star hotels.

Attitudes and behaviors are largely determined by the nature and disposition possessed by a person. Good nature and character, correspond to progress and positive is the nature and character needed by an entrepreneur for the entrepreneur to be more advanced/successful. Entrepreneurial behavior in the context of this study is a behavior

TABLE 2: Test Match model of Entrepreneurship Behavior.

Model Alignment	Coefficient	Criterion	Information
Chi-square (χ^2)	7,01	Small (non-significant)	Okay, fulfilled
P-Value	0,206	≥ 0.05	Okay, fulfilled
Df	5	-	
Cmin (χ^2/Df)	1,40	$\leq 2:00$	Okay, fulfilled
RMR (standardized)	0,038	≤ 0.08	Okay, fulfilled
RMSEA	0,057	≤ 0.08	Okay, fulfilled
GFI	0,98	≥ 0.90	Okay, fulfilled
AGFI	0,94	≥ 0.90	Okay, fulfilled
CFI	0,99	≥ 0.90	Okay, fulfilled
IFI	0,99	≥ 0.90	Okay, fulfilled
NNFI or TLI	0,98	≥ 0.90	Okay, fulfilled

to carry out ideas, increase competitiveness, adapt organizations to environmental changes and efforts to achieve better performance.

In this case, entrepreneurial behavior will be associated with innovation factors, proactiveness, and risk-taking. The construction of business strategies in this study is measured using four indicators, namely: (a) differentiation (b) adaptive (c) efficiency (d) quality excellence. Business strategy is an activity within the company that includes activities related to cost leadership, marketing differentiation, and innovation differentiation. Cost leadership is done using cost-efficiency. Marketing differentiation strategy can be done through service to customers and have better distribution. Innovative differentiation strategy is an activity that includes the creativity of the application of new technologies and quality design.

3.2. Competing Strategies for 4-Star Hotels in Makassar City

A competitive strategy is the setting of a company’s long-term goals and objectives and the direction of action and allocation of resources necessary to achieve specific goals and objectives. The main point of formulating a competing strategy is to connect the company with its environment. Although the relevant environment is very broad, encompassing, social forces as well as economic forces, the main aspect of the corporate environment is the industry or industries in which the company competes. The structure of the industry has a strong influence in determining the rules of the competitive game as well as the strategies that are potentially available to the company.

A company will have a competitive advantage if the company is in favorable conditions from five main competitive factors, namely the entry of new entrants, the threat

of replacement products, buyer bargaining power, supplier bargaining power, and competition among existing competitors. The five competitive forces above reflect the fact that competition in an industry is not just limited to existing players. Customers, suppliers, replacement products, as well as potential newcomers are all competitors to companies in the industry and can more or less stand out depending on the particular situation. The above competitive forces together determine the intensity of competition and the kinship in the industry, and the forces, or the greatest forces, will determine and become very important from the point of view of strategy formulation.

Competing strategies have considerable power to make an industry better or less attractive. At the same time, a company can improve or damage its position in the industry through its choice of strategy. Therefore, competitive strategies are not only a response to the environment but also an effort to shape the environment by the company's wishes. Competing strategy variables are revealed by questionnaires distributed to respondents directly consisting of 4 indicators namely strength analysis (Z1), weakness analysis (Z2), opportunity analysis (Z3), and challenge analysis (Z4). Measurement of these indicators is done quantitatively, namely through the provision of scores on respondents' perceptions of competing strategies. Per indicator of respondent's perception can be presented in the following table and explanation of the per indicator:

TABLE 3: Distribution of Results of Strength Analysis Indicators (Z1).

		Frequency	Percent	Valid Percent	Cumulative Percent
	4,00	72	52,2	52,2	52,2
Valid	5,00	66	47,8	47,8	100,0
	Total	138	100,0	100,0	

TABLE 4: Distribution of Results of Weakness Analysis Indicators (Z2).

		Frequency	Percent	Valid Percent	Cumulative Percent
	2,00	1	,7	,7	,7
	3,00	1	,7	,7	1,4
Valid	4,00	79	57,2	57,2	58,7
	5,00	57	41,3	41,3	100,0
	Total	138	100,0	100,0	

Descriptions of competing strategy variables on strength analysis indicators (Z1), weakness analysis (Z2), opportunity analysis (Z3), and challenge analysis (Z4) obtained the picture that the average value is between 4.2609 to 4.5362.

The findings of this study suggest some of the characteristics that can represent are innovation, risk-taking, leadership, motivation, as well as perseverance, and experience.

TABLE 5: Distribution of Results Indicators of Opportunity Analysis (Z3).

	Frequency	Percent	Valid Percent	Cumulative Percent
3,00	5	3,6	3,6	3,6
4,00	92	66,7	66,7	70,3
Valid 5,00	41	29,7	29,7	100,0
Total	138	100,0	100,0	

TABLE 6: Distribution of Results of Threat Analysis Indicators (Z4).

	Frequency	Percent	Valid Percent	Cumulative Percent
3,00	9	6,5	6,5	6,5
4,00	86	62,3	62,3	68,8
Valid 5,00	43	31,2	31,2	100,0
Total	138	100,0	100,0	

TABLE 7: Description of Competitive Strategies descriptive statistics.

	N	Minimum	Maximum	Mean	Std. Deviation
Z1	138	4,00	5,00	4,4130	,49417
Z2	138	2,00	5,00	4,4130	,55009
Z3	138	3,00	5,00	4,2609	,54444
Z4	138	3,00	44,00	4,5362	3,43269
Valid (listwise)	N 138				

Source: Data Processing Results, 2021

The hospitality sector entrepreneur is more courageous in taking risks and has a strategy that is carried out so that his business grows. A person's courage in taking risks is supported by knowledge, experience, capital strength, and the ability to respond to change or take opportunities, as well as be creative and innovative.

In the hospitality industry, entrepreneurial behavior can grow and develop despite the need for time and the need for conducive environmental support, such as assistance from governments that suits your needs and is on target. Assistance from the external environment (business climate) can be in the form of support from the government in the form of guaranteed availability of inputs, capital support, and market information (a viable marketing location). Entrepreneurial behavior is influenced also by factors that exist in the individual itself that make it as encouragement or motivation which is then characterized by attitudes in action, knowledge in running a business, as well as skills in creating products [16].

The concept of strategy cannot be separated from the aspect of planning, direction, or reference to the company's steps to achieve a goal in the future. However, not always

the strategy is planning into the future that has not been implemented. The strategy also concerns everything that has been done in the past, such as patterns of business behavior that have been done in the past. The pattern that further became the findings in this study is referred to as the intended strategy because it has not been implemented and is future-oriented. Or also referred to as realized strategy because it has been done by the company.

In addition to this, put a particular product into a specific market to be addressed. Effective competitive strategies can be done by recognizing and assessing the main competitors, assessing their goals, strategies, strengths, weaknesses, and reaction patterns, then having to choose the main competitors to be attacked or avoided, in this way can find areas of potential competitive advantage and disadvantages. Things that must be needed in analyzing competitors are as follows: The Company can recognize its competitors from an industry point of view and the Company must understand the pattern of competition in its industry if it hopes to become an effective player in the industry. From a market point of view, a company can also recognize its competitors.

This risk-taking behavior greatly affects the industry's competitive strategy. Because an entrepreneur always dares to involve his willingness to bind resources and dare to face challenges by exploiting or engaging in business strategies where the possibility of results is full of uncertainty. An entrepreneur must always be driven to win in the competition. That's why we need a competitive strategy. Especially in times like now, where various competing strategies arise due to the Covid-19 pandemic. Implementing the strategy appropriately will have an impact on the ability of 4-star hotel industry players in Makassar City to compete with other hotels and can improve their ability to face competition by developing product innovation. By continuing to maintain and develop the source of competitive advantage, the continuity of the business will be maintained.

So, through the description above it can be concluded that there is an influence of entrepreneurial behavior on the competitive strategy of the industry because through the right strategy to know the weaknesses and advantages of industrial competition, an entrepreneur will still synergize both in terms of the strategy carried out so that the industry or business that is run can survive very significant market changes.

4. Conclusion

The results of this study have implications for researchers, hoteliers, and policymakers, particularly those related to increasing competitiveness through entrepreneurial

development. High or low competitiveness has implications for lack of ability to adapt to the environment, lack of deftness in business opportunities, lack of creativity and innovation in anticipating various environmental challenges. In addition, internally the lack of managerial ability and skills. On the one hand, the literature review explains that three key aspects will determine competitiveness and can have an impact on the company's performance, namely the company's internal environmental factors, external environment, and entrepreneurship. So based on this, the implication of this study is to lead to environmental factors that are distinguished in internal and external factors both directly and indirectly affect competitiveness strategies.

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