THE IMPACT OF CUSTOMER ORIENTATION, COMPETITIVE ORIENTATION, AND INTER-FUNCTIONAL COORDINATION ON THE ORGANIZATIONAL AMBIDEXTERITY AND PERFORMANCE OF SAUDI ARABIAN HOTEL CHAINS

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Abstract

Purpose – This study aims to investigate the relationships between customer orientation, competitive orientation, inter-functional coordination, organizational ambidexterity, and business performance, also exploring the mediating role of organizational ambidexterity by employing strategic orientation and resource-based view theory.
Methodology/Design/Approach – A total of 288 hotel owners/managers participated in the present study. Structural equation modeling (partial least squares) via SmartPLS was applied to test the model of the present study.
Findings – The findings indicate that customer orientation, competitive orientation, and inter-functional coordination significantly impact organization ambidexterity and business performance. This study can also confirm the mediating role of organizational ambidexterity between customer orientation, competitive orientation, inter-functional coordination, and business performance. This research shows that customer orientation, competitive orientation, and inter-functional coordination may be essential resources for improving hotel firms' results.
Originality of the research – The present paper analyzes relationships between variables not previously investigated in a single model, including customer orientation, competitive orientation, inter-functional coordination, organizational ambidexterity, and business performance.
Keywords: Customer orientation, Competitive orientation, Inter-Functional coordination, organizational ambidexterity, performance of hotels.

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INTRODUCTION

In this current era of a competitive global market, the hospitality industry is experiencing more significant competitor challenges and opportunities due to rising customer demands (Dias et al., 2024). Mainly, the hotel industry is learning and adopting modern customer service strategies (Kandampully & Suhartanto, 2000; Topsakal, 2024), practically enriching the customers' experiences and satisfaction using innovative patterns of services (Tang, 2014). Varadarajan (2020) stated that integrating market competitor and customer insight ensures seamless interdepartmental coordination by confirming superior guest experiences. A hotel that excels in understanding its customers' demands, keeping an eye on competitors, and ensuring smooth internal operations drives immediate performance improvements and positions itself for long-term success. This approach involves gathering and analyzing customer feedback, monitoring market trends, and continuously adapting services to exceed guest expectations (Imeri & Gil-Alana, 2024). In the hotel industry, customer orientation translates to personalized services, high-quality guest experiences, and proactive problem-solving. By leveraging advanced data analytics to tailor offerings precisely to guest preferences, fostering a culture of innovation among staff to stay ahead of market shifts, and maintaining impeccable service standards, the hotel creates a virtuous cycle of loyalty and reputation (Kandampully & Suhartanto, 2000; Zakaria et al., 2014). Ultimately, the fusion of customer-centric strategies and operational excellence amplifies current performance and crafts a resilient foundation for enduring growth and industry leadership.

However, prior studies highlighted that the hotel industry strives to continuously explore new business opportunities and offer more adequate services and environments than their customers' expectations. For example, Ghantous & Alnawas (2020) elaborated that market orientation is an essential factor that educates the hotel industry to understand the customers' demands using ambidexterity.

Notably, in an increasingly dynamic and competitive business environment, Dias et al. (2024) highlight that the hotel industry faces significant challenges in balancing exploration and exploitation to achieve sustainable performance. While customer orientation, competitive orientation, and inter-functional coordination are widely recognized as critical drivers of business performance, the mechanisms through which these factors interact remain underexplored (Magdy & Salem, 2024). Although the literature highlighted the essential role of competitor orientation in generating ambidexterity, it has not yet fully explored this

role (Kafetzopoulos, 2021). Moreover, Taha et al. (2024) suggested that the role of organizational ambidexterity as a mediating factor in this context has received limited attention, particularly when viewed through the lenses of strategic orientation and the resource-based view theory. This gap highlights the need for a comprehensive understanding of how firms can leverage these constructs to enhance business outcomes in dynamic and resource-constrained environments.

By using the novel concept of ambidexterity, hotels can add new services and improve their current customers' experience (Lubatkin et al., 2006). Accordingly, Ghantous & Alnawas (2020) suggested that the hotel industry practices organizational ambidexterity to resolve the "exploitation and exploration" paradox. As competitor challenges, hotels are striving to be more innovative in understanding market trends in hospitality (i.e., exploration) and improve their offered services (i.e., exploitation) (Lubatkin et al., 2006; Jansen et al., 2009). For instance, Jansen et al. (2009) witness a lack of new innovative practices to support exploratory and exploitative innovation, mainly in the service industry. Following market orientation and entrepreneurial orientation are factors for organizational ambidexterity (Ghantous & Alnawas, 2020; Sahi et al., 2020). By applying the novel concept of ambidexterity, hotels can add new services and improve their current ones (Tang & Wei, 2024). Empirically, the factors contributing to organizational ambidexterity and its effects on business performance were examined in different fields, including manufacturing (Suzuki, 2019), supply chain management (Aslam et al., 2020), banking (Marabelli et al., 2012), etc. Yet, limited existing studies explore its effect on the hotel and hospitality industry (Kafetzopoulos, 2021).

This study aims to investigate the role of organizational ambidexterity in enhancing business performance within the Saudi Arabian hotel industry. This study examines how hotels in Saudi Arabia utilize exploratory and exploitative ambidexterity strategies to meet evolving market demands and optimize existing service offerings. In addition, this study also analyzes how the dual focus on exploration and exploitation ambidexterity mediates the relationship between market orientation, entrepreneurial orientation, and business performance by employing strategic orientation and resource-based view theories. Notably, the study identifies the unique challenges and opportunities faced by the Saudi Arabian hotel industry in implementing organizational ambidexterity and extends the theoretical frameworks of market orientation and entrepreneurial orientation to include the nuances of organizational ambidexterity. By achieving these objectives, the study aims to contribute to academic literature and practical management strategies, ultimately enabling hotels better to navigate the complexities of the competitive global market.

As Saudi Arabia aims to position itself as a premier tourist destination through its Vision 2030 initiative, the hotel industry faces the challenge of navigating evolving market demands, technological advancements, and economic shifts. Pratiwi and Muslikhati (2024) highlight the critical need for hotels to adapt to these complexities in order to capitalize on the opportunities presented by Vision 2030. This adaptation is facilitated by the fact that Saudi Arabia already benefits from high and stable annual tourism traffic, primarily from Muslim pilgrims visiting the holy sites in Mecca and Medina. Brdesee et al. (2013) underscore the significance of this steady influx, which provides a foundational customer base that can support sustained growth and strategic transformation in the hospitality sector as the country diversifies its tourism offerings beyond religious tourism.

1. UNDERPINNING THEORIES

Several scholars have argued that market orientation and resource-based views are two prominent theories in strategic management that provide complementary perspectives on how firms can achieve competitor advantage and superior performance.

First, marketing orientation emphasizes the importance of understanding and responding to customer needs and market dynamics, mainly in the service industry (Esteban et al., 2002). Tsiotsou (2010) discussed that firms with a strong market orientation continuously gather market information about customers, competitors, and the broader market environment to adapt their strategies and offerings accordingly. Market orientation is rooted in the marketing concept, which suggests that customer satisfaction and long-term relationships are essential for business success. Market-oriented organizations focus on delivering superior customer value through service innovation, service quality, and effective marketing strategies (Tsiotsou, 2010). They prioritize customer feedback, invest in market research, and foster a customer-centric culture.

Second, the resource-based view posits that a firm's competitor advantage and performance are primarily determined by its unique bundle of resources and capabilities Barney (1991). Resources can include tangible assets (e.g., technology, facilities) and intangible assets (e.g., knowledge, brand reputation). At the same time, capabilities refer to the firm's ability to effectively deploy and leverage these resources (Rivard et al., 2006). Notably, West & Bamford (2005) argued that the resource-based view is rooted in economic theory and organizational economics, with a particular focus on "strategic factor markets," where firms compete to acquire valuable resources.

Similarly, Kazlauskaitė et al. (2015) stated that it draws from insights in organizational learning and evolutionary economics, highlighting the role of dynamic capabilities in shaping firm competitiveness. Michalisin (2000) suggested that the resource-based view educates organizations to focus on building and leveraging distinctive competencies that are valuable, rare, inimitable, and non-substitutable. By developing unique resources and capabilities, firms can create a sustainable competitor advantage that is difficult for competitors to replicate.

Overall, the integration of marketing orientation and resource-based view are often seen as complementary perspectives rather than competing theories. Market orientation helps firms identify market opportunities and customer needs (Tsiotsou, 2010), while the resource-based view provides a framework for leveraging internal resources to capitalize on these opportunities effectively (West & Bamford, 2005).

Previously, Esteban et al. (2002) applied market orientation and found that the theory is essential in using customer feedback and market research insights to identify valuable resources and capabilities that can be further developed and leveraged to create competitor advantage. Similarly, Zhou et al. (2009) advocated that firms that effectively leverage their unique resources and capabilities in line with market needs and preferences are more likely to achieve superior performance over time. Therefore, in the present study, integrating market orientation with the resource-based view can give the hotel industry a holistic strategy formulation and implementation approach, allowing it to effectively align its internal capabilities with external market demands.
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2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1. Customer Orientation, Organizational ambidexterity, and Business Performance

Customer orientation, defined as the firm's focus on understanding and meeting customer needs, is widely recognized as a critical driver of business performance (Zhou et al., 2009). Li et al. (2008) stated that the customer-oriented approach by organizations enhances customer satisfaction and loyalty, which are crucial for sustaining competitor advantage. Accordingly, Chebet et al. (2018) discussed that customer orientation is vital in leading superior business performance by aligning products and services with market needs; it may also incur high costs due to constant market research and adaptation. Therefore, balancing customer orientation and operational efficiency must be managed carefully, practically utilizing organizational ambidexterity (Kafetzopoulos, 2021). Firms that achieve ambidexterity can respond more effectively to environmental changes and technological advancements (Tang & Wei, 2023), enhancing business performance (Laukkanen et al., 2013). However, maintaining ambidexterity is challenging due to potential conflicts between exploratory and exploitative activities. The resource allocation between these activities requires strategic oversight to prevent imbalance, which can otherwise lead to organizational inefficiencies. Empirically, Sahi et al. (2020) investigated and concluded that customer orientation significantly impacts organizational ambidexterity by providing a clear strategic direction supporting exploration and exploitation activities. However, this relationship may vary across different market contexts, especially in less developed economies where brand loyalty and market dynamics differ. In this regard, Jansen et al. (2009) suggested that future research should explore these relationships in diverse market settings to provide deeper insights into how organizations can optimize these customer orientations for sustained competitor advantage. Therefore, the present study proposed the following hypotheses.

H1: Customer orientation significantly and positively impacts organizational ambidexterity.

H2: Customer orientation significantly and positively impacts business performance.

2.1. Competitor Orientation, Organizational Ambidexterity, Business Performance

Competitor orientation, an aspect of market orientation, involves a firm's continuous assessment and responsiveness to competitors' actions and strategies (Zhou et al., 2009). Kafetzopoulos (2021) discussed that competitor orientation plays a crucial role in shaping a firm's strategic decisions and fostering organizational ambidexterity. Similarly, another study by Mohammed et al. (2014) stated that competitor orientation necessitates firms to keep an eye on their rivals and swiftly adapt to competitor threats and opportunities. This requires a dual focus on refining existing competencies (exploitation) while simultaneously developing new capabilities (exploration) (Jansen et al., 2009). In this regard, Meekaewkunchorn et al. (2021) investigated and concluded that highly competitor-oriented organizations are more adept at recognizing shifts in the competitor landscape and are more likely to engage in exploitative and explorative activities. This dual approach helps organizations maintain competitiveness and adapt to market changes effectively. In addition, competitor orientation enables firms to preemptively counter competitor moves, enhance market positioning, and make informed strategic decisions, leading to better business performance (Zhou et al., 2009). Thus, a recent empirical study by Schulze et al. (2022) concluded that competitor orientation directly influences organizational performance. Therefore, limited studies have investigated and concluded the direct link between competitor orientation, ambidexterity, and the hotel industry's performance in Saudi Arabia. Although the literature highlighted the critical role of competitor orientation, the role of competitor orientation in the generation of ambidexterity is not yet fully explored empirically (Dhewi et al., 2024; Kafetzopoulos, 2021). Hence, the following hypotheses were developed.

H3: Competitive orientation significantly and positively impacts organizational ambidexterity.

H4: Competitive orientation significantly and positively impacts business performance.

2.3. Inter Functional Coordination, Ambidexterity, and Business Performance

Inter-functional coordination refers to the harmonious collaboration and information sharing among different organizational departments (Zhou et al., 2009). This internal synergy is critical for fostering organizational ambidexterity and enhancing firm performance. Kwak et al. (2016) highlighted that inter-functional coordination is essential for integrating diverse perspectives and capabilities within a firm, facilitating exploitative and explorative activities necessary for organizational ambidexterity. The coordination between various functions (e.g., marketing, research, and development departments) enables the organization to balance exploiting existing competencies with exploring new opportunities (Lee & Kreiser, 2018). Therefore, inter-functional coordination significantly influences organizational ambidexterity (Im & Rai, 2014). Furthermore, the authors stated that organizations that balance exploitation and exploration ambidexterity are better positioned to innovate while maintaining

efficiency, leading to improved performance metrics such as profitability, market share, and growth. Accordingly, inter-functional coordination practices are essential in leading better decision-making, resource optimization, and innovations (Li et al., 2008). This coordinated effort enhances firm performance by improving operational efficiency and market responsiveness. In this regard, Chebet et al. (2018) investigated and confirmed inter-functional coordination's significant and positive impact on organizational performance. By fostering a collaborative environment, firms improve efficiency, innovation, and responsiveness to market changes, contributing to overall business performance (Zhou et al., 2009). Previously, limited studies examined and concluded the influence of inter-functional coordination on ambidexterity and business performance, mainly in the hotel industry. Therefore, to fill the abovementioned empirical gaps, the present study, among the few studies, proposed to investigate the direct link between inter-functional coordination, ambidexterity, and the hotel industry's performance in Saudi Arabia. Therefore, we proposed the following hypotheses.

H5: Inter-functional coordination significantly and positively impacts organizational ambidexterity.

H6: Inter-functional coordination significantly and positively impacts business performance.

2.4. Organizational Ambidexterity and Business Performance

Ambidexterity has been widely applied to various organizational phenomena that balance exploration and exploitation (Lee & Kreiser, 2018). Exploitation reflects the firm's efficiency level, while exploration is about search, discovery, autonomy, innovation, and embracing variation; both create ambidexterity (Wu et al., 2020). Suzuki (2019) defined exploitation as using and refining existing knowledge in domains internal to the organization. In contrast, exploration refers to searching and pursuing new knowledge in domains external to the organization. Empirically, Boumgarden et al. (2012) have established the link between ambidexterity and organizational performance and confirmed the positive association. Later, Kafetzopoulos (2021) found the same results. In a similar context, Ghantous & Alnawas (2020) examined the association between ambidexterity and business performance using data from 101 Jordanian hotels. The structural equation modeling (PLS) results demonstrated that ambidexterity enhanced hotel performance. According to the resource-based view theory, achieving high ambidexterity is theoretically possible through effective resource utilization and dynamic capabilities (Lee & Kreiser, 2018). The theory further suggests that firms' internal capabilities and competitive advantage increase profitability and performance (Meekaewkunchorn et al., 2021). However, research on the direct relationships between organizational ambidexterity and business performance has remained scarce (Kafetzopoulos, 2021), and very little is known about organizational ambidexterity in the tourism industry (Vo Thanh et al., 2020) and the factors positively influencing hotel performance (Hernández-Perlines et al., 2019). Consequently, this study attempts to fill the gap in the literature by proposing the following hypothesis.

H7: Organizational ambidexterity significantly and positively impacts business performance.

2.5. The mediating role of Organizational Ambidexterity

Despite empirical studies examining the link between market orientation and business performance, the extant research does not consider how market orientation affects firm performance (Aznar, 2024; Dhewi et al., 2014). Therefore, this study proposed the direct and indirect relationship between the critical dimensions of market orientation (i.e., customer orientation, competitor orientation, and functional conidiation) and firm performance. That is, this study attempts to understand the mechanism through which market orientation impacts business performance. Subsequently, organizational ambidexterity is proposed as a mediating variable. Under this view, market-oriented organizations are more likely to be ambidextrous (Wu et al., 2020). The reason for assuming such a mediating relationship is that a brand name can afford higher visibility (Aaker, 2007), brand orientation, and innovation (Lee & Kreiser, 2018). Theodosiou et al.'s (2012) research findings empirically supported the indirect impact of market orientation on firm performance. The authors suggested that market orientation affects firm performance through a mediating mechanism. This aligns with findings by Nugroho (2023), which highlighted that market orientation is a necessary but insufficient characteristic to predict firm performance. Therefore, in this study, the researcher proposed ambidexterity as a mediating variable that supports the prediction of the indirect impact of customer orientation, competitor orientation, and inter-functional coordination on firm performance. Baldauf et al. (2021) stated that the mechanism that concludes the indirect impact of customer orientation, competitor orientation, and functional coordination on the firm performance is still unknown and needs further investigation. Therefore, considering the above discussion and argument, the present study formed the following hypotheses:

H8: Organizational ambidexterity mediates the relationship between customer orientation and business performance.

H9: Organizational ambidexterity mediates the relationship between competitive orientation and business performance.

H10: Organizational ambidexterity mediates the relationship between inter-functional coordination and business performance.

3. RESEARCH METHODOLOGY

3.1. Data Collection and Procedure

A close-ended questionnaire was developed to gather hotel owners' HR and finance managers on various organizational variables, including customer orientation, competitor orientation, inter-functional coordination, ambidexterity, and their relationship with hotel business performance. Responses were recorded using a five-point scale (1 = strongly disagree to 5 = strongly agree). Two academics and two industrial experts initially pre-tested the questionnaire to validate the clarity and appropriateness of the measurement items and scales. Following minor revisions, a second pre-test was conducted with four more hotel business managers to confirm the relevance of the items. Based on their feedback, further modifications were performed. This method aligns with the approach suggested by Goerman et al. (2018), ensuring that all constructs were clearly defined, and each item was critically assessed and validated.

The questionnaire was administered in English, with all respondents agreeing to this language. To enrich the data, various strategies were employed to maximize response rates, including increasing contact attempts, adjusting the survey length and format, providing a personalized cover letter, and assuring feedback and confidentiality. We generated an online link to the questionnaire for the data collection, with each hotel being contacted to obtain permission from the participant. During phone call interactions, respondents were assured anonymity and offered a report of the results as an incentive. Initially, the survey was sent to the owner/top management to permit permanent data collection with other staff. After permission, we forwarded the online questionnaire link to the hotel owners/managers; after sending the questionnaire link, we contacted the respondents, ensuring the smoothness and quality of data collection. The data collection period spanned from November to March 2024. Out of 300 hotel owners/managers contacted in Riyadh, Saudi Arabia, 288 usable questionnaires were returned, yielding a response rate of 96 percent.

4. DATA ANALYSIS

The study employed structural equation modeling (SEM) to investigate the proposed direct and indirect hypotheses. SEM, as described by Saleem et al. (2023), encompasses the evaluation of the study's model and the estimation of structural coefficient paths. Widely utilized in social and management sciences, SEM offers a robust statistical modeling method to assess model reliability with the data (Kamis et al., 2020). In this study, the analysis utilized Partial Least Squares Structural Equation Modeling (PLS-SEM) through Smart PLS software version 4. PLS-SEM was chosen due to its ability to elucidate complex relationships between direct and indirect constructs and validate theoretical frameworks while providing path coefficient values (Wong, 2013). The PLS technique comprises two main approaches: a measurement model (inner) and a structural model (outer), which delineates the paths among latent variables.

4.1. Measures

All measures were sourced from previous research and aligned with the conceptual aspects of each construct presented in Appendix A. The present study had three main constructs: i) market orientation, ii) ambidexterity, and iii) business performance). Thereby, market orientation is studied using its three key dimensions (i.e., customer orientation, competitor orientation, and inter-functional coordination) suggested by Zhou et al., 2009). Lubatkin et al. (2006) suggested two main dimensions of ambidexterity (i.e., exploration and exploitation). Finally, Laukkanen et al. (2013) suggested two business performance dimensions (i.e., market and brand performance). However, the assessment of measurement model validity included evaluation through Cronbach's Alpha, composite reliability (CR), and average variance extracted (AVE) for convergent validity. For constructs, item loadings exceeding the threshold value 0.6 were deemed satisfactory (Saleem et al., 2022). Ambidexterity and business performance were considered at a higher-order level. AVE values for all constructs ranged from 0.514 to 0.669, surpassing the accepted level of 0.5 (Saleem et al., 2023). CR values for all constructs ranged from 0.760 to 0.890, exceeding the acceptable level of 0.6 (Kamis et al., 2020). Cronbach's alpha values ranged from 0.706 to 0.866 for all constructs, surpassing the acceptable threshold of 0.7 (Kamis et al., 2020). In addition, discriminant validity was established when the square root of AVE exceeded the correlation, meeting the accepted criteria (Saleem et al., 2022). Therefore, detailed measurement model results are provided in Tables 1-3 and Figure 1.

Table 1: **Measurement Items**

Items	Cronbach's alpha	CR	AVE
Customer orientation	0.708	0.773	0.559
Competitor orientation	0.706	0.802	0.669
Inter-functional coordination	0.795	0.804	0.551
Organizational ambidexterity	0.866	0.89	0.584
Exploration	0.784	0.844	0.537
Exploitation	0.788	0.85	0.586
Business Performance	0.776	0.787	0.584
Market Performance	0.794	0.787	0.552
Brand Performance	0.729	0.76	0.514

Figure 1: **Measurement Model**

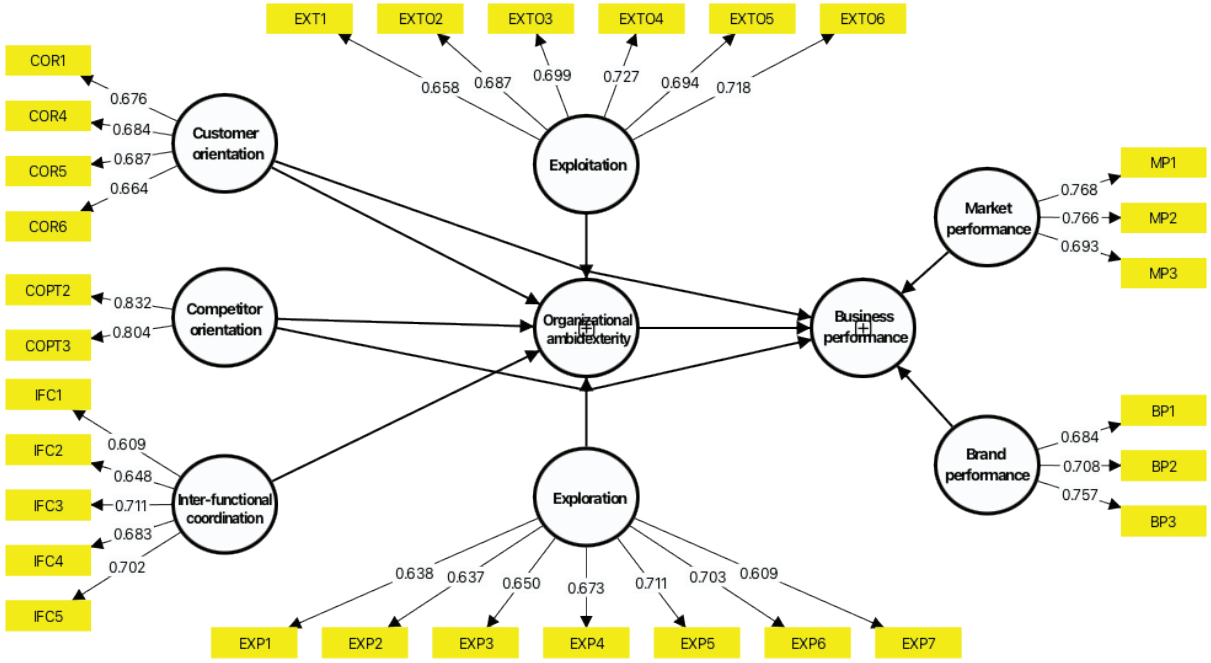


Table 2: **Fronell-Larcker criterion**

Constructs	1	2	3	4	5	6	7	8	9
Brand Performance	0.717								
Business Performance	0.628	0.619							
Competitor Orientation	0.355	0.445	0.818						
Customer Orientation	0.450	0.532	0.448	0.678					
Exploitation	0.527	0.614	0.427	0.447	0.697				
Exploration	0.518	0.606	0.372	0.501	0.672	0.661			
Inter-Functional Coordination	0.492	0.599	0.419	0.638	0.587	0.573	0.672		
Market Performance	0.444	0.570	0.398	0.454	0.517	0.576	0.525	0.743	
Organizational Ambidexterity	0.572	0.600	0.436	0.520	0.607	0.621	0.634	0.60	0.620

Table 3: **HTMT criterion**

Constructs	1	2	3	4	5	6	7	**8**	**9**
Brand Performance									
Business Performance	0.806								
Competitor Orientation	0.679	0.757							
Customer Orientation	0.789	0.830	0.812						
Exploitation	0.816	0.846	0.676	0.645					
Exploration	0.799	0.890	0.592	0.723	0.854				
Inter-Functional Coordination	0.815	0.879	0.719	0.885	0.786	0.776			
Market Performance	0.771	0.845	0.726	0.754	0.758	0.852	0.817		
Organizational Ambidexterity	0.841	0.806	0.659	0.714	0.695	0.612	0.813	0.841	

4.2. Direct Hypotheses

Values extracted from the PLS-SEM through SmartPLS software address the relationships, variance explained (R^2) for the model, and significance levels (He & Wong, 2004). A bootstrapping analysis with 5000 sub-samples was performed to understand the relationships between constructs. Tables 5-6 present the direct and indirect relationships between customer orientation, competitor orientation, inter-functional coordination, organizational ambidexterity, and hotel performance. The variance is explained by customer orientation, competitor orientation, and inter-functional coordination for organizational ambidexterity (R^2=44.8%) and hotel performance (R^2=54.2%). Therefore, the hypothetical results expressed through β value, t-values, and p-values offer significant insights into how these factors interact and influence each other.

The first hypothesis shows that the (β value = 0.131; p-value < 0.05) indicates that customer orientation has a considerable a significant positive impact on business performance. This finding aligns with existing literature, suggesting that firms focusing on understanding and meeting customer needs can enhance customer satisfaction and loyalty, ultimately leading to improved business performance (Narver & Slater, 1990). The second hypothesis presents a significant positive relationship between customer orientation and organizational ambidexterity (β value = 0.137; p-value < 0.05), suggesting that customers-oriented firms are likely to develop ambidextrous capabilities. This could be because customer-oriented firms continuously adapt to changing customer needs, which requires exploitation and exploration (He & Wong, 2004). Third, competitor orientation a significantly and positively influences business performance (β value = 0.11; p-value < 0.05). This is consistent with the notion that being aware of and responding to competitors' actions can help firms refine their strategies and improve their market positioning, thus enhancing performance (Day & Wensley, 1988). Fourth, a significant positive impact of competitor orientation on organizational ambidexterity (β value = 0.177; p-value < 0.05) suggests that competitor-oriented firms are more likely to balance exploitative and explorative activities. Understanding and reacting to competitors' strategies requires firms to be agile and innovative (Jansen et al., 2006). Fifth, a significant positive effect of inter-functional coordination on business performance (β value = 0.176; p-value < 0.05) highlights the importance of collaboration across departments. Effective inter-functional coordination can lead to better decision-making and innovation, thus improving overall business performance (Kahn, 1996). Sixth, A strong significant and positive relationship is observed between inter-functional coordination and organizational ambidexterity (β value = 0.472; p-value < 0.05). This significant finding suggests that internal collaboration is crucial for balancing exploitation and exploration. When departments work together effectively, the organization can better manage its ambidextrous capabilities (Gibson and Birkinshaw, 2004). Finally, the substantial a significant positive impact of organizational ambidexterity on business performance (β value = 0.461; p-value < 0.05) underscores the importance of balancing exploitative and explorative activities. Ambidextrous organizations are better equipped to innovate and adapt to market changes, leading to superior performance (O'Reilly & Tushman, 2011). Therefore, the direct paths are presented in Table 4 and Figure 2.

Table 4: **Direct Path**

Direct Path	β	T statistics	P values
Customer orientation → Business performance of the hoteling industry	0.131	2.15	0.032
Customer orientation → Organizational ambidexterity of the hoteling industry	0.137	2.187	0.029
Competitor orientation → Business performance of the hoteling industry	0.11	2.304	0.021
Competitor orientation → Organizational ambidexterity of the hoteling industry	0.177	3.622	0
Inter-functional coordination → Business performance of the hoteling industry	0.176	2.49	0.013
Inter-functional coordination → Organizational ambidexterity of the hoteling industry	0.472	7.448	0
Organizational ambidexterity → Business performance of the hoteling industry	0.461	6.534	0

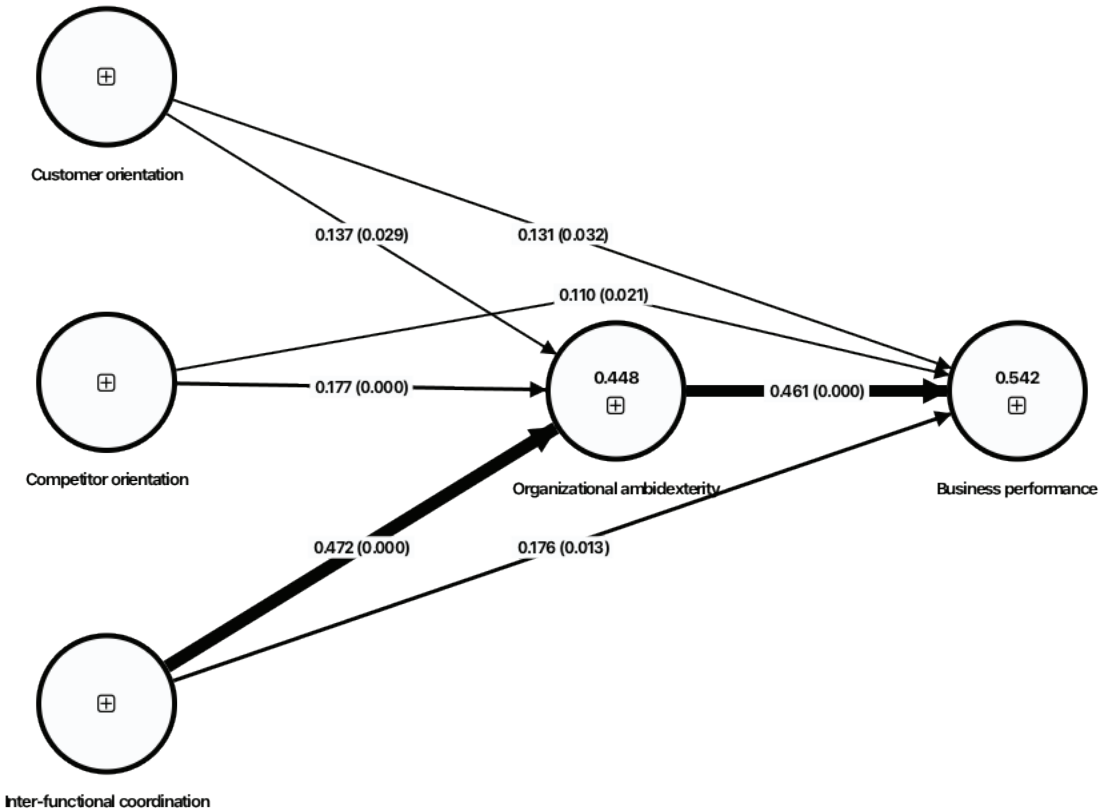
4.3. Mediating Hypotheses

The provided data explores the mediating effects of organizational ambidexterity on the relationships between customer orientation, competitor orientation, inter-functional coordination, and business performance. The first hypothesis's statistical results (β=value =0.131 and p-value = 0.022) indicate that organizational ambidexterity partially mediates the relationship between customer orientation and business performance. This finding suggests that customer-oriented firms directly improve their performance by meeting customer needs and enhancing their ambidextrous capabilities, further boosting business performance. This aligns with the literature indicating that customer orientation drives firms to be more adaptive and innovative, thus improving their ambidexterity and overall performance (He & Wong, 2004). Second, the significant mediating effect of organizational ambidexterity on the relationship between competitor orientation and business performance. (β value = 0.082, p-value = 0.002) underscores the importance of being aware of and responsive to competitor actions. Competitor-oriented firms enhance their performance by leveraging organizational ambidexterity, which allows them to balance exploiting current capabilities and exploring new opportunities. This is consistent with the idea that competitor orientation fosters strategic flexibility and responsiveness, critical components of ambidexterity (Jansen et al., 2006). Finally, the substantial positive mediating effect of organizational ambidexterity on the relationship between inter-functional coordination and business performance (β value = 0.218, P < 0.001) highlights the critical role of internal collaboration. This finding aligns with existing research indicating that well-coordinated internal functions support the development of ambidextrous capabilities, significantly improving business performance (Gibson & Birkinshaw, 2004). Therefore, the mediating hypotheses are presented in Table 5.

Table 5: **Mediating Path**

mediating path	Original sample (O)	T statistics (|O/STDEV|)	P values
Customer orientation → Business performance of the hoteling industry	0.063	2.283	0.022
Competitor orientation → Business performance of the hoteling industry	0.082	3.135	0.002
Inter-functional coordination → Business performance of the hoteling industry	0.218	5.132	0

Figure 2: **Structural Model**



5. DISCUSSION

The findings from the present study provide comprehensive insights into the intricate relationships between customer orientation, competitor orientation, inter-functional coordination, organizational ambidexterity, and business performance. The results suggest the critical role of organizational ambidexterity as a direct influencer of business performance and a mediator in the relationships between strategic orientations and business outcomes.

Firstly, customer orientation significantly impacts both organizational ambidexterity and business performance. Chebet et al. (2018) suggest that organizations prioritizing understanding and meeting customer needs are better equipped to balance exploitation and exploration, enhancing adaptability and innovation capacity and leading to superior business outcomes. Similarly, competitor orientation directly improves business performance and organizational ambidexterity. By properly monitoring and responding to competitor actions, firms develop strategic flexibility, which is crucial for maintaining a competitors' edge and achieving higher performance (Mohammed et al., 2014). Therefore, inter-functional coordination strongly predicts organizational ambidexterity and business performance. The significant positive relationships indicate that effective collaboration and information sharing among different departments directly enhance performance and facilitate the development of ambidextrous capabilities. This highlights the importance of a cohesive internal environment where diverse functions work synergistically towards common goals. However, the mediation hypotheses reveal that organizational ambidexterity significantly enhances the impact of customer orientation, competitor orientation, and inter-functional coordination on business performance. This mediating role suggests that balancing exploitative and explorative activities is crucial for translating strategic orientations into tangible performance improvements. Customer-oriented and competitor-oriented firms leverage ambidextrous capabilities to innovate and adapt, thus achieving better business outcomes. Similarly, inter-functional coordination fosters a collaborative culture that supports ambidexterity, leading to superior performance (Kafetzopoulos, 2021).

5.1. Practical Implications

The findings of this study offer several practical implications for managers aiming to enhance the business performance of the hotel industry through strategic orientations and organizational capabilities. Managers in the hotel industry should emphasize customer orientation by developing a deep understanding of customer needs and preferences-based services. This involves investing in customer relationship management (CRM) systems and engaging in regular market research (Khodakarami & Chan, 2014). By doing so, firms can ensure that their products and services are aligned with customer expectations, thereby enhancing the performance of hotels. Therefore, hotels should adopt a proactive competitor orientation by continuously monitoring and analyzing competitors' strategies. By understanding and anticipating competitors' moves, firms can develop responsive strategies that leverage exploitative and explorative activities, fostering organizational ambidexterity and improving performance (Lubatkin et al., 2006). This can be achieved through competitor intelligence programs and strategic planning processes. Enhancing inter-functional coordination is crucial for fostering organizational ambidexterity. Hotel managers should promote cross-departmental collaboration through regular inter-departmental meetings, integrated information systems, and team-based projects (Ghantous & Alnawas, 2020). Encouraging open communication and knowledge sharing among different functions can create a synergistic environment supporting innovation and efficiency.

Noticeably, to capitalize on the benefits of organizational ambidexterity, hotels should develop structures and processes that facilitate both exploitation and exploration, including adopting flexible organizational designs, such as matrix structures, and promoting a culture that values both incremental improvements and radical innovations (Binci et al., 2020). Thus, training programs and leadership development initiatives can also help build the necessary skills for ambidextrous management (Lubatkin et al., 2006). Recently, Ghantous & Alnawas, 2020) suggested by focusing on structural strategies, managers can better align their strategic orientations with organizational capabilities, leading to enhanced business performance and sustained competitor advantage of hotels.

5.2. Theoretical Implications

The findings of this study contribute significantly to the theoretical understanding of market orientation and the resource-based view of the organization.

First, the positive relationships between customer orientation, competitor orientation, and business performance affirm the core tenets of market orientation theory, which posits that firms focusing on customer needs and competitor dynamics can achieve superior performance. The study extends this theory by highlighting the role of organizational ambidexterity as a crucial mediating factor. This suggests that market-oriented firms must respond to external market conditions and develop internal capabilities to balance exploration and exploitation (Tang & Wei, 2023). This dual capability enhances their adaptive capacity and innovation potential, leading to better performance outcomes.

Second, from a resource-based view, the findings underscore the importance of internal resources and capabilities, specifically inter-functional coordination and organizational ambidexterity, in achieving a competitive advantage. Inter-functional

coordination is a valuable resource that fosters organizational ambidexterity, enhancing business performance (Binci et al., 2020). This aligns with the competitive assertion that unique, worthwhile, and difficult-to-imitate internal resources are critical for sustained competitor advantage. The study enriches the competition by demonstrating that strategic orientations (customer and competitor orientations) can be leveraged to develop these critical internal capabilities (Mohammed et al., 2014). This study bridges market orientation theory and the competitive, emphasizing the interplay between external market focus and internal resource development in driving superior business performance. It highlights the necessity of integrating market-oriented strategies with robust internal capabilities to achieve and sustain competitor advantage.

6. RESEARCH LIMITATIONS AND FUTURE RECOMMENDATIONS

First, the cross-sectional design of the present study limits the ability to establish causality between variables. While significant relationships are identified, the direction of causality cannot be conclusively determined. Future research should employ longitudinal designs to understand better the causal relationships between market orientation, organizational ambidexterity, and business performance. This will help track changes over time and provide deeper insights into the dynamic nature of these relationships. Second, the sample used in the study may not represent all industries or geographic regions, potentially limiting the generalizability of the findings. Future research should consider a more diverse sample to validate the results across different contexts and enhance external validity using a mixed-methods approach. Third, the study relies on self-reported data, which may be subject to biases such as social desirability or standard method bias. Employing multiple data sources and objective performance measures can help mitigate these biases in future research. Fourth, while the study focuses on customer orientation, competitor orientation, and inter-functional coordination, other factors like technological orientation, market dynamism, and organizational culture might also significantly influence organizational ambidexterity and business performance. Future research should include these additional variables to provide a more comprehensive understanding. By addressing these limitations and pursuing these recommendations, future research can build on the current study's findings, providing a more robust and comprehensive understanding of the interplay between market orientation, organizational ambidexterity, and business performance.

CONCLUSION

The findings highlight the pivotal role of organizational ambidexterity in enhancing business performance. By fostering a balanced approach to exploitation and exploration, hotels can effectively translate strategic orientations such as customer focus, competitor awareness, and internal coordination into competitor advantages and superior performance outcomes. These insights suggest managers should prioritize developing ambidextrous organizational capabilities to leverage their strategic orientations fully. Future research should explore these dynamics across different industries and market conditions to validate and extend these findings, providing a broader understanding of how firms can optimize their strategies for sustained success.

DECLARATION OF GENERATIVE AI AND AI-ASSISTED TECHNOLOGIES IN THE WRITING PROCES

In preparing this paper, the author used ChatGPT in order to improve the language and readability of the article. Following the use of this tool/service, the author have reviewed and edited the content as necessary and take full responsibility for the content of the published article.

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APPENDIX A

Constructs	Items	Source
Customer orientation	1. Our hotel believes in total commitment to the customer 2. Our compensation plan rewards employees and managers who are committed to customer satisfaction 3. We regularly measure customer satisfaction 4. We spend a great deal of effort trying to understand customer needs 5. We do whatever it takes to create value for our customers 6. We continuously monitor our customers' needs	Zhou et al. (2009)
Competitor orientation	1. Our sales and marketing people share competitor information with other departments 2. We respond rapidly to our competitors' actions 3. We are constantly looking for opportunities to gain an advantage over our competitor	Zhou et al. (2009)
Inter-function coordination	1. The various departments in our hotel share a great deal of information with each other 2. Our hotel's strategy emphasizes co-ordination of the various departments 3. Resources are frequently shared by different departments 4. Tightly coordinating the activities of all departments adds customer value	Zhou et al. (2009)
Exploratory orientation	1. Our hotel looks for novel technological ideas by thinking "outside the box 2. Our hotel bases its success on its ability to explore new technologies 3. Our hotel creates products or services that are innovative 4. Our hotel looks for creative ways to satisfy its customers' needs 5. Our hotel proactively ventures into new market segments 6. Our hotel actively targets new customers groups	Laukkanen et al. (2013)
Exploitative orientation	1. Our hotel commits to improve quality and lower cost 2. Our hotel continuously improves the reliability of its products and services 3. Our hotel increases the levels of efficiency in its operations 4. Our hotel constantly surveys existing customers' satisfaction 5. Our hotel fine-tunes what it offers to keep its current customers satisfied 6. Our hotel penetrates more deeply into existing customer base.	Lubatkin et al. (2006)
Brand performance	1. Our hotel have reached desired image in market 2. Our hotel has a strong reputation 3. Our hotel has built a strong customer brand loyalty Market performance	Laukkanen et al. (2013)
Market performance	1. Success in competition 2. Acquiring new customers 3. Retaining current customers	Laukkanen et al. (2013)