
EMPLOYEE CREATIVITY AND COMPETITIVE ADVANTAGE OF HOTELS IN PORT HARCOURT, RIVERS STATE, NIGERIA

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ABSTRACT

The purpose of this study was to determine the relationship between employee creativity and competitive advantage of hotels Port Harcourt. The study focused on employee creativity as the predictor variable and competitive advantage in terms of differentiation and innovation, as the criterion variable. The study adopted a descriptive research design. The population of the study comprise six 5-Star star hotels in Port Harcourt, with a huge working space, connectivity and strong financial base. The study collected primary data using structured questionnaire, and analyzed same using the independent t-test. The result of the study showed that there is a positive and statistically significant association between employee creativity and competitive advantage. The study concludes that organizations with creative employees have higher chances of achieving an edge over competitors. The study therefore recommends that management of hotels in Port Harcourt, should consider employee creativity as strategy for gaining competitive advantage.

Keywords: Employee creativity, competitive advantage, differentiation, innovation

INTRODUCTION

The survival and sustainability of the hotels and entertainment industry is based on strategies adopted by firms in the industry, especially strategies relating to their human and material resource (Handy, 2020). Organizations facing competition strives to remain in business and enhance their presence through competitive advantage. Fridman (2019) sees competitive advantage as the ability of an organization to ensure they withstand operational antics and maneuvers of competitors and remain focused.

The hotel industry is a service-oriented sector that requires patronage for profitability and business sustainability. Trained, motivated and committed employees are required to deliver quality service that drives continued customer patronage (Jenike, 2020). Thus, forward looking hospitality organizations adopt continuous development as a competitive strategy in the ever-changing business environment (Adams, 2014). Companies must be able to adapt to change in the environment in order to remain operational.

The desire of every organization is to continuously be in the lead in terms of quality of goods and services offered. This is why competitive advantage has remained a key element in business, as it differentiates an organization from competitors. Ghosh (2000) stressed that for any business to achieve competitive edge, it must provide quality goods and services. Competitiveness is the ability of an organization to achieve better business results or surpass competitors. Ireland and Hoskisson (2003) says that company's success depends on their strategic competitiveness.

Wanget al. (2011) stressed that competitive advantage comes from several sources, including technological innovation, human resources and organizational structure. The structure of an organization has the tendency to shape operational modes that enhance performance and competitive advantage. According to Laudon (2013), competitive advantage is the ability of an organization to find a position in an industry that provides protection against competitors that may pose new threats, suppliers bargaining power, buyer bargaining power and product and service substitution.

The lure of competitive advantage motivate organizations to be more creative (Rose et al., 2010) in their policies and decision making processes. Creativity in turn, brings employees together to brainstorm on the way to manage the organization. It is considered one of the most valued skills in business, science and in every day human life. It is key to successful innovation (Franken, 2019; Reckhenrich et al., 2009).

Literature suggests that employee creativity is released in environments characterized by diversity of participants, freedom to share knowledge and ideas, and a system of appropriate incentives (Urbancova, 2013; Kim & Atuahenegima, 2010). Studies also show that that market orientation improves creativity, and leads to improved competitiveness (Oudan, 2012).

In today's dynamic business landscape, it is hard to think of an organization enjoying competitive advantage without paying attention creativity and innovation. According to Dobni (2015) "by not being innovative and creative, organizations not only miss out on opportunities, but also the ability to run a more effectively and efficiently.

Creativity important organizations, regardless of their size and economic sector. To achieve high performance, it is important for firms to determine strategies to encourage or promote creativity. Various studies have examined employee creativity and competitive advantage in different areas of the economy; and most of these studies obtained different results. Widiya and Habel (2019) reports that creativity has a positive significant effect on innovation.

In this study however, we question how creativity of employees relate to competitive advantage. Thus, the study investigated the role of employee creativity in competitive advantage of hotels in Port Harcourt. The study specifically examined if employee creativity results in differentiation and innovation among hotels in Port Harcourt. The following hypotheses were formulated to guide the study:

Ho1: There is no significant relationship between employee creativity and differentiation among hotels in Port Harcourt.

Ho2: There is no significant relationship between employee creativity and innovation among hotels in Port Harcourt.

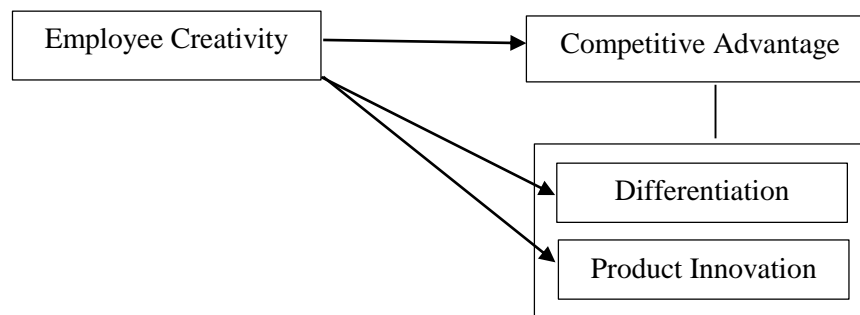


Fig. 1: Conceptual framework of relationship between employee creativity and competitive advantage

LITERATURE REVIEW

Theoretical Review

This study on employee creativity and competitive advantage of hotels in Port Harcourt is rooted in the agency theory, which addresses relationship between two parties, where one hires the other to act in their behalf. An agency relationship arise when one, designated as the agent, acts for, on behalf of, or as representative for the other, designated as the principal (Ross, 1973). The relationship between employer and employee, doctor and patient or between governments and the governed are examples. Agency theory explains that two parties interact in organizations: owners (shareholders) and management. Companies that separate management and ownership functions are vulnerable to agency conflict because each party has conflicting interests, namely trying to achieve their own prosperity (Panda & Leepsa, 2017)

Concept of Employee Creativity

Creativity means adopting new ways of doing things (Feinstein, 2006). It is a way of thinking that inspires challenges, helps people to find innovative solutions and create opportunities out of problems (Cropley, 2009; Simonton, 2004). Creativity is a source of innovation, and a tool used by firms to achieve competitive advantage. In formal organizations, creativity is often fuelled by brainstorming. Brainstorming is a situation where a group of people meet to generate new ideas and solutions around a specific domain of interest.

People think freely and suggest spontaneous new ideas when inhibitions are removed. Franken (2019) argue that individuals are propelled to be creative by need for something new, need to impact thoughts and qualities and need to resolve problems. Creativity experts believe that creative thinking relates to innovativeness (Reckhenrich et al., 2009). Thus, creative ideas and their manifestations are central to innovation strategy for at least three reasons.

Firstly, creativity generates new ideas, which is key to innovation (Amabile et al. 1996). Innovation is successful development, adoption and implementation of creative ideas. Thus, creativity, which involves the generation of novel and meaningful ideas, is a necessary antecedent to innovation (Amabile et al., 1996).

Secondly, creativity results in differentiation, which is an important determinant of the performance of firms (Song & Montoya-Weiss, 2001). Differentiation is the degree of superiority a firms' value offering, relative to competitors' offers in terms of uniqueness, quality, cost effectiveness, and technical performance. Creativity that focuses on differentiation provides a competitive advantage because differentiation improves firms' performance by enhancing customer satisfaction and loyalty (Song & Montoya-Weiss 2001).

Thirdly, the resource-based theory suggests that creativity, which is an intangible resource embedded within the firm, provides a competitive advantage (Hunt & Morgan 1995). Creativity bestows sustainable competitive advantage on firms because it is a strategic resource that is valuable, flexible, rare, and imperfectly imitable or substitutable.

Concept of Competitive Advantage

Chacarbaghi and Lynch (1999) provides that competitive advantage is the ability gained through attributes and resources to perform at a higher level than others in the same industry or market. The study of competitive advantage has attracted profound research interest due to contemporary issues regarding superior performance of firms in today's competitive market. A firm has competitive advantage if it implements value creating strategy not simultaneously being implemented by current or potential player (Clulow et al., 2003).

Payne et al. (2017) opine that competitive advantage is the leverage a firm has over competitors. This can be gained by offering better and greater value. Advertising, lower prices and higher quality also pique consumers' interest and confer competitive advantage. Value proposition is important when understanding competitive advantage. If a firm's value proposition offers better or greater value, it can produce a competitive advantage. Competitive advantage is multidimensional. In this study, we focus on differentiation and innovation.

Differentiation describes a situation where a firm's products are seen to differ from, and superior to those of competitors. Advanced technology, patent-protected products or processes, superior personnel, and strong brand identity drive differentiation. According to Wrenn and Mansfield (2014). Differentiation is consumer may prefer a brand than competitors' brands. Brands like Coca-Cola, Apple are successful brands because they have such differential advantage that result in superior market performance. Successful brands are always leaders in their segments.

Innovation is the creation and subsequent introduction of new or a substantially improved version of existing products. Innovation is a multi-faceted phenomenon, encompassing both improvement of existing production processes or systems and product development. Innovation according to the organization for economic cooperation and development (OECD, 2005) is the implementation of a new or significantly improved product, process, new marketing method, or new organisational method in business practices, workplace organization or external relations.

Innovation in essence, represent "something new" that is significant to market success of firms. It is both a process and an outcome that impacts corporation's internal stakeholders, target end-users, draw from outside knowledge or respond to integration and control. As an outcome, innovation is defined in terms of degree of newness. Innovation enable firms to remain relevant; it facilitate creative development, reinforce brands, promote continuous improvement, and enable firms take advantage of trends (Purcell, 2019). Also, innovation provides unique selling proposition, improves productivity and establish new partnerships and relationships. Furthermore, innovation facilitate growth and market leadership.

METHODOLOGY

This study adopted a descriptive survey research design. The Population of the study comprise 6 hotels in Port Harcourt which were selected based on their financial strength. Participants in the study are selected at individual employee level of analysis. A total of 200 employees and managers were selected from the staff list of the respective administrative offices of the selected hotels. The study however, worked with a sample size of 122 employees drawn from the 6 hotels. Table 1 provides details of

Table 1: Population and sample distribution

S/No	Name of Company	Population	Sample
1	Novotel Hotel	40	27
2	Presidential Hotel	35	23
3	Golden Tulip	25	17
4	Lime Wood	35	23
5	Bougainvillea	40	27
6	City Crown	25	17
	Total	200	134

Structured questionnaire was used to collect primary data from the respondents, and while the hypotheses formulated to guide the study were tested using the independent t-test. All tests of hypotheses were conducted at .05 levels of significance.

RESULTS AND INTERPRETATIONS

Test of Hypotheses one: There is no significance relationship between employee creativity management and differentiation of hotels in Port Harcourt. (Categorized as related and not related). The independent variable in this hypothesis is employee creativity while the dependent variable is differentiation. Independent t-test analysis was used to test the hypothesis. The result of the analysis is presented in the Table 2.

Table 2: Relationship between employee creativity and differentiation

Variables	N	Mean	SD	t-value
Related	97	14.98	6.83	
Not-related	25	9.10	3.98	6.26

N=122; Significant at .05, critical t = 1.66, df = 120

The result of the analysis as presented in Table 2 reveal that, the calculated t-value of (6.26) is higher than the critical t-value of 1.66 at .05 levels of significance. With this result, the null hypothesis which stated that there is no significance relationship between employee creativity and differentiation of hotels in Port Harcourt was rejected. This implies that, there is significant relationship between employee creativity and differentiation of hotels in Port Harcourt.

Test of Hypotheses one: There is no significance relationship between employee creativity management and degree of product innovation of hotels services industries in Port Harcourt, Rivers State. (Categorized as related and not related). The independent variable in this hypothesis is employee creativity while the dependent variable is innovation of hotels. Independent t-test analysis was used to test this hypothesis. The result of the analysis is presented in the Table 3.

Table 3: Relationship between employee creativity and innovation

Variables	N	Mean	SD	t-value
Related	100	16	7	
Not-related	23	9.10	3.98	6.24

N=122; Significant at .05, critical t= 1.66, df =120

The result of the analysis as presented in Table 3 revealed that, the calculated t-value of (6.24) is higher than the critical t-value of 1.66 at .05 levels of significance, hence, the null hypothesis which stated that there is no significance relationship between employee creativity and innovation of hotels in Port Harcourt was rejected, This implies that, there is significance relationship between employee creativity and innovation of hotels in Port Harcourt.

DISCUSSION OF FINDINGS

This study examined employee creativity and competitive advantage of hotels in Port Harcourt. Findings from the study revealed that creativity gives room for differentiation and innovation, creativity helps to improve employee intellectual receptiveness, help them pick right problem-solving techniques, bring about creative thinking that breed creative ideas, and creates room for employees to present new ideas and encourages team work and emotional intelligence. The finding is in line with that of Rebeka and Indradevi, (2017) that employee creativity is a very powerful tool available to organization that wants to be relevant in the future.

The finding of the study entails that employee creativity is a panacea to competitive advantage; as no business can function to its full potentials without providing workers with creative training, creative environment and making provisions for employee creativity. The study concludes that employee

creativity is essential to competitive advantage of hotels in Port Harcourt; and that hotels in Port Harcourt depend on creativity to achieve competitive advantage. Thus, the study recommends that hotels should in Port Harcourt that seek increased competitive advantage should promote creativity among their staff by providing training and orchestrating the enabling environment to boost creativity and innovativeness.

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