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MANAGERIAL IMPLICATIONS CONTRIBUTED TO IMPROVING THE BUSINESS PERFORMANCE OF HOTEL-RESTAURANT ENTERPRISES IN HO CHI MINH CITY

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Abstract

Although the epidemic situation in the country has begun to show positive signs, in the world, the epidemic is still going on very complicatedly and for a long time. Besides, the increasing pressure on competition and purification plus the economic shock caused by Covid-19 have caused many businesses to “wobble”. Enterprises indirectly affected industries, such as tourism, aviation, restaurants, hotels, etc., have fallen into a state of “hibernation” in the past three months. The revenue of the enterprise in the first quarter 2020 and 2020 full-year forecast to fall sharply, even a loss. Trade and investment promotion activities were suspended, affecting business activities of the following quarters and years. Besides, many businesses have had to stop operations and reduce production, especially hotel - restaurant enterprises. The goal proposed managerial implications improved the business performance of hotel - restaurant enterprises in Ho Chi Minh City (HCMC).

Introduction

Tourism is one of the significant contributors to GDP growth and the development of the country’s economy. In particular, the hotel business holds an essential position for developing the tourism industry by Chen, W. J. (2017). Having successful hotel business, perfect, synchronous, civilized, and modern facilities, equipment, and facilities are indispensable. The development of tourism depends directly on the development of the hotel business, which is first of all the material and technical facilities:

Development of the hotel system reflects the product - society in the locality and reflects tourism development in the local and national. Hotel revenue accounts for a significant proportion of total tourism revenue. The “Conference of hotel investment and business in Vietnam” pointed out the hospitality industry. Hotels and accommodation account for 70% of tourism revenue by Chung, W., and Kalnins, A. (2015).

Cowen, J. T., and Troemaker, S., (2015) showed that the hotel’s technical facilities also represent tourism. Because to attract guests and develop the customer market, the hotel must have modern facilities and amenities to meet the needs of tourists. Technical: building for the hotel a different website with full essential functions such as room class, hotel facilities, restaurant services, spa; online booking system.

They are contributing to exploiting tourism resources and promoting local economic development. The formation and development of the hotel system are mainly in places with natural resources. Therefore, developing the hotel business exploits all potentials in the locality and contributes to the development of the local economy by Feng, R. M. (2017). Besides, a developed hotel business will attract many regional specialties and handicrafts and a large number of workers. That proves that the hotel business holds an important position in promoting socio-economic development in the locality. Therefore, the author proposed that managerial implications improve the business performance of hotel-restaurant enterprises in Ho Chi Minh City.

Literature review

The concept of business performance

Business results are the final results of enterprises’ production and business activities in a specific accounting period, or business results expressed in cash, the difference between total revenue and expenses of economic activities carried out. Business results are expressed in profit if revenue is more remarkable than expenses) or loss if revenue is less than expenses by Gampbell, A. J., and Cooper, R. F. (2017). The enterprise’s business activities include production and business activities, financial results, and other operating results by Abeer Zayed & Nawal Alawad (2017).



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Production and business results: the difference between net revenue and cost of goods sold, Including products, goods, investment real estate and services, production costs of construction products by Aris, T. H, Haryyono, T., & Hunik, S. R. S. (2017). Installation expenses related to investment real estate business include depreciation costs, repair and upgrade costs, operating lease costs, liquidation costs, and investment property sales and acquisitions. capital), selling and administrative expenses by Eris, E.D., & Ozmen, O. N. T. (2012).

Eshlaghy, A.T., & Maatofi, A. (2011) showed financial performance: the difference between the income of economic activities and the cost of financial activities. Other operating results: the difference between other incomes and other expenses and corporate income tax expenses by Nybakk, E. (2012). Business results are the last of activities producing business, operations, finance, and other activities during a specific period. The expression of business results is the number of profits or losses by Pardi, Suharyono, Suyadi Imam, Arifin Zainul (2014).

The importance of business performance

In today's market economy, businesses are always interested in operating their business most effectively (maximizing profits and minimizing risks). The elements of revenue, other income, expenses, and profit are indicators reflecting the business situation of the enterprise. Therefore, businesses need to check revenue and expenses, know which products to trade, expand, and limit products to achieve the highest results by Shehu, A.M., & Mahmood, R. (2014).

Thus, the accounting system in general and the accounting system for determining business results, in particular, plays an essential role in collecting and recording data on the operation of the enterprise, thereby providing relevant information by Shehu, A.M., & Mahmood, R. (2015). Necessary information helps business owners and executives to analyze, evaluate and choose the most influential business and investment plans by Smirnova, M., Naudé, P., Henneberg, S.C., Mouzas, S., & Kouchtch, S. P. (2011). The organization of accounting work to determine the results of business activities in a scientific, reasonable, and appropriate manner to the specific conditions of the enterprise is of great significance in collecting, processing, and providing information to the customers. Business owners, executives, governing bodies, financial management, tax to select effective business plans, supervise the observance of policies, economic, financial, and policy regimes tax.

All enterprise production and business activities are affected by the factors, and some factors positively affect the analytical criteria. Some factors affect negatively, so we have to determine the characteristic's value and find the cause of the change in the value of that factor by Smirnova, M., Naudé, P., Henneberg, S.C., Mouzas, S., & Kouchtch, S. P. (2011).

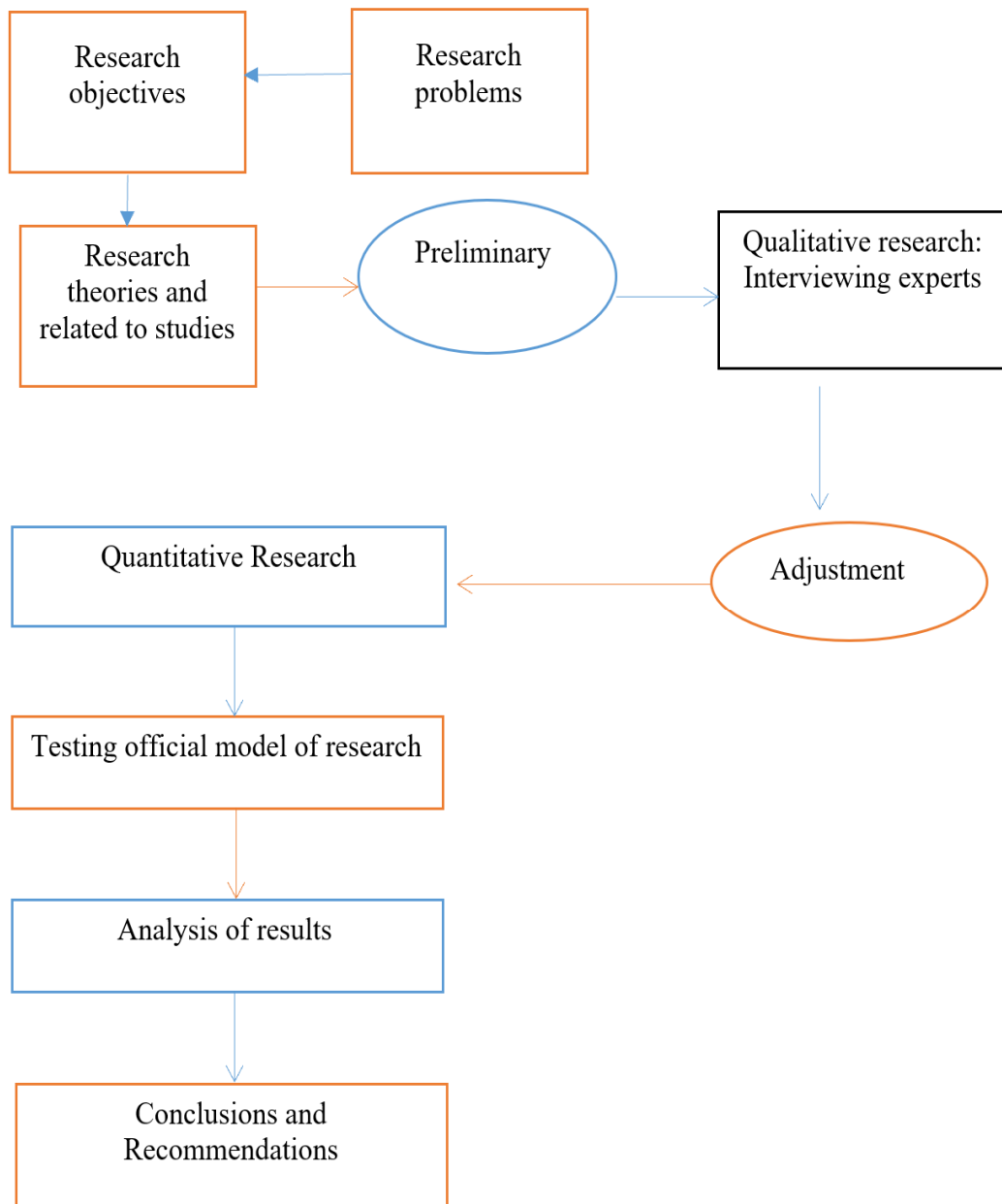
Analysis of production and business activities assesses the general situation and does not stop at the step of determining factors and causes. But on that basis, discovers potentially available capabilities, advantages, difficulties, and risks of the enterprise, to propose the measures to promote strengths and overcome weaknesses in the business process.

Methods of research

In this paper, the author applied a combination of two research methods: qualitative research and quantitative research following:



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Source: The author proposed

Figure 1. The research process for managerial implications contributed to improving the business performance of hotel-restaurant enterprises in Ho Chi Minh City

The study simultaneously uses both forms of research, including desk research (collection and analysis of secondary data) and field research (collection and analysis of primary data) to ensure objectivity and accuracy. Besides, Mass data sources: Secondary information is collected from scientific works, scientific articles, reports published in specialized scientific journals, scientific conferences, Statistical yearbook of localities in the country by Hair, J., Anderson, R., Tatham, R., & Black, W. (2010).

Checking data: The article contains and classifies the data to ensure consistent research objectives and content based on current data with high trust and confidence. After conducting the investigation, the paper reviewed the answer sheets to identify unsatisfactory and low-valued ones. The answer sheet will be discarded if most crucial questions are left unanswered or answer that only select one option continuously. Valuable answer sheets are kept and encrypted and entered into a computer with Excel and SPSS 20.0 software to support the data analysis process. Finally, the author had a conclusion and policy implications.



Research results

The researcher had the mean and standard deviation for the business performance of hotel - restaurant enterprises in Ho Chi Minh City.

Table 1. Results for Mean and standard deviation of Market Orientation (MO)

Code	The scale of Market Orientation (MO)	Min	Max	Mean	Standard deviation
MO1	The enterprise has closely monitored and assessed the level of commitment in serving the needs of customers	1	5	2.78	0.947
MO2	Our business goal is to satisfy our customers	1	5	3.00	0.803
MO3	The enterprises always value customer satisfaction	1	5	2.88	0.904
MO4	The enterprises strive to understand customer needs	1	5	2.84	0.852
MO5	All parts of the business are involved in creating added value for customers	1	5	2.81	0.969
MO6	The enterprises have made efforts to measure customer satisfaction	1	5	2.72	1.031
MO7	The enterprises reacted quickly to the actions of its competitors	1	5	2.83	0.923
MO8	All members of the enterprises always have coordination with each other	1	5	2.92	0.980

Source: Data processed by SPSS 20.0

Tables 1 showed results for the Mean and standard deviation of Market Orientation (MO): MO1 has a minimum value of 1 value. All of MO is maximum that is 5. Mean is around from 2.72 to 3.00 value. The standard deviation of MO is approximately 1.0. This result is also consistent with survey data and practice in hotels and restaurants in Ho Chi Minh City. This result is the scientific basis to propose managerial implications for market orientation factors that improve business performance.

Table 2. Results for Mean and standard deviation of Learning Orientation (LO)

Code	The scale of Learning Orientation (LO)	Min	Max	Mean	Standard deviation
LO1	The enterprises are always looking for ways to improve the working skills of their employees	2	5	3.33	1.043
LO2	There is always mutual understanding and mutual trust among employees in the enterprise	1	5	3.50	1.029
LO3	The enterprise encourages cooperation among employees according to the process	1	5	3.58	1.081
LO4	The enterprises are always looking for ways to improve the way employees change their minds	1	5	3.23	1.050
LO5	Motivating employees to take risks in the enterprise	1	5	3.23	1.163

Source: Data processed by SPSS 20.0

Tables 2 showed the mean and standard deviation of learning orientation (LO) results: LO1 has a minimum value of 2, and others have 1 value. All of LO is maximum that is 5. Mean is around from 3.23 to 3.58 value. The standard deviation of LO is approximately 1.0. This result is also consistent with survey data and practice in



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hotels and restaurants in Ho Chi Minh City. This result is the scientific basis to propose managerial implications for the learning-oriented factor that improves business performances.

Table 3. Results for Mean and standard deviation of Innovation (IN)

Code	The scale of Innovation (IN)	Min	Max	Mean	Standard deviation
IN1	The enterprise continuously improves products/services every year	1	5	3.69	1.005
IN2	The enterprises are always looking for new ways of doing business	1	5	3.78	1.010
IN3	The enterprises are always trying to come up with new ideas	1	5	3.52	1.104
IN4	Innovation improves our business results	1	5	3.46	0.960
IN5	The enterprises are constantly innovating in creating new products and services	1	5	3.64	1.028

Source: Data processed by SPSS 20.0

Tables 3 showed the Mean and standard deviation of Innovation (IN) results: all IN has a minimum 1 value. All of IN is maximum, that is 5. Mean is around from 3.46 to 3.78 value. The standard deviation of IN is near around 1.0. This result is also consistent with survey data and practice in hotels and restaurants in Ho Chi Minh City. This result is the scientific basis for proposing managerial implications for innovation factors that improve business performances.

Table 4. Results for Mean and standard deviation of Business Environment (BE)

Code	The scale of Business Environment (BE)	Min	Max	Mean	Standard deviation
BE1	The enterprises always present challenges in price competition	1	5	3.11	0.862
BE2	Competitors' actions are unpredictable	1	5	3.4	0.932
BE3	Customers' needs and tastes are unpredictable	1	5	3.46	0.941
BE4	Government intervention affects the industry	1	5	3.49	0.971
BE5	The change in marketing will affect business results	1	5	3.46	0.956
BE6	Technological changes and developments affect this industry	1	5	3.4	0.998
BE7	The safety and security policy in the hotel - restaurant implemented the following regulations	1	5	3.34	1.003

Source: Data processed by SPSS 20.0

Tables 4 showed results for the Mean and standard deviation of the Business Environment (BE): BE1 has min value that is 1 value. All of BE is maximum that is 5. Mean is around from 3.11 to 3.49 value. The standard deviation of BE is near around 1.0. This result is also consistent with survey data and practice in hotels and restaurants in Ho Chi Minh City. This result is the scientific basis to propose managerial implications for business environment factors that improve business performances.



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Conclusions & Managerial Implications

Conclusions

Business performance is an economic category that reflects the level of business process elements in an enterprise to achieve the highest results at low costs. Research results showed that Market Orientation (MO), Learning Orientation (LO), Innovation (IN), and Business Environment (BE) affecting the business performance of hotel - restaurant enterprises in Ho Chi Minh City. Besides, all of the Mean from the four factors above is around from 2.72 to 4.00 value. The standard deviation of factors is near around 1.0. Improving business efficiency is implementing a series of systematic, organized, synchronous and continuous measures at the enterprise to achieve the ultimate goal of high efficiency. The requirement of improving business efficiency is to use reasonable inputs to achieve maximum results with minimum costs. This result is the scientific basis to propose managerial implications for four factors that contribute to improving business performances.

Managerial implications

First of all, improving market orientation (MO). Businesses can open up very quickly, but to survive for a long time and be competitive in today's fierce market is a complex problem. Developing sustainably and growing stronger requires leaders to have the foresight and grasp customers' needs to build business development orientations along with specific recommendations.

(1) Identify the resources and systems of the business. The company's primary and most essential resources include financial resources, human resources, and information resources. If these resources are not fixed and often change, the business will always be small, difficult to access significant customer sources. The enterprise's system includes the management and operation system. Any business, large or small, needs a management department responsible for setting up and managing the business's overall operations. The operating department is the members of the departments and divisions and is responsible for carrying out specific tasks.

(2) Developing goals and strategies for business development. Business development-oriented goals include short-term goals and long-term goals. Set goals for each specific period both to create motivation and to seize development opportunities. Strategies include product strategy, market and prospect research, and competitor research strategies. To assess the nature of a specific product and better understand customer needs, managers need an overview and support from customer management and storage software to gather all the information to make the most accurate judgments.

(3) Catch up on new technology trends. The current working trend is to save as much time and money as possible, but the work efficiency must be high. It is necessary to have support from software to support management and work arrangement. This technology is considered the best support tool to help businesses store customer information, arrange jobs to make work processes more accessible and more convenient. Thus, building a long-term and sustainable business development orientation is necessary to have long-term plans and strategies. The head of the business needs to have the most overview of the system, the company's potential, and the power of new technology tools and software. A common goal and strategy gave from the generalization and accurate grasp of existing problems and the promotion of available strengths and the right direction strategies to accomplish that goal bring the highest work performance.

Secondly, improving learning orientation (LO). The biggest asset of a business is neither money nor real estate, but people. Therefore, human resource development is an essential issue and a top priority. Human resource development is developing physical, intellectual, cognitive abilities and absorbing people's knowledge, skills, social dynamism, and creativity. Besides, human resource development is synonymous with the process of improving the social capacity and social vitality of human resources in all aspects following:

(1) Analysis of the current situation of human resources. Analyzing the current state of human resources will help businesses identify strengths, weaknesses, difficulties, and advantages to devise appropriate development strategies. There are factors such as the number of human resources, structure, professional qualifications, working experience, working ability, ability to absorb high technology. On that basis, managers Management will find practical solutions for the human resource management process.

(2) Developing the quality of human resources. Human resource quality is reflected in intelligence, qualifications, understanding, ethics, skills, health, aesthetics, etc. Training activities for employees will train people in terms of skills (including human resources), hard skills and soft skills) so that they can do their jobs more effectively. This training process will support employees to master their job knowledge, and at the same time improve their qualifications, skills, and better working attitude. In addition, teaching and learning activities



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help people prepare to enter a new career, move from one field to another suitable to their capacity and qualifications in the future.

(3) Stabilize and maintain existing human resources. The successful goal of the enterprise is completed when the organization's human resources are developed. Make the most of the available labor resources for the development of your business. Enterprises can implement reasonable remuneration, welfare, and reward policies to create favorable conditions for employees' long-term attachment to the company. Besides, let's start a dynamic, positive, and friendly working environment; help employees find work-life balance. Enterprises should have attractive compensation, benefits, and salary packages to attract external resources to work.

Thirdly, improving innovation (IN). Creative business ideas play an important role in business. Business ideas are innovative when it comes to financial returns, so they often have some characteristics following:

(1) Superiority: the business idea intended to create an advantage for a business organization or individual business, so the idea must emphasize some specific advantage of the product or service over everything business available. I was focusing mainly on high-tech products: electronic goods, machinery.

(2) Uniqueness: this is the most prominent aspect, demonstrating the creativity of a usable business idea. If excellence cannot be achieved due to limited technological investment, emphasize the difference.

(3) Novelty: this is the aspect that demonstrates the value of a business idea. The idea needs to be the first new, not yet on the market. Using an old product or service available for business does not show creativity, so it cannot be called a business idea properly. Besides, Practicality: this is the aspect that proves the actual profitability of a business idea. Usually, a business idea is created around human needs. It cannot be separated from that. Business ideas find in reality needs and fulfill them. Therefore, businesses often focus on activities of collecting customer opinions to improve products. Some companies even go so far as to create demand. Owning a creative business idea is not difficult when you can think horizontally to find the inadequacies of old products or services. The main reason is that no product or service is perfect. Employees need to change the utility, shape, color. The purpose is to create a unique business idea that has no competitors. Horizontal thinking is how you make the new through the old.

Finally, improving the business environment (BE). In recent years, customers and hotels paying attention to environmentally friendly factors are becoming more popular than ever. This factor is also one factor for customers to decide to book a room at the hotel and restaurants. Customers are now changing. They are starting to pay more attention to green, environmentally friendly hotels. Therefore, this is the time and opportunity for the hotel to start working on environmental protection, minimizing any negative impacts on the surrounding environment. The author has recommendations following:

(1) Sustainable development new concern for hotels and restaurants. The young generation is currently the primary source of customers of the hotel industry. This recommendation is the generation of customers who tend to support environmentally friendly activities. They are willing to spend more money for hotels and service providers with measures to protect, be nice, and minimize the impact on the environment.

(2) Recommendations to make hotels and restaurants environmentally friendly. As one of the recommended solutions to use in hotels, solar energy helps hotels reduce carbon emissions released into the environment every day. Using photovoltaic systems helps hotels significantly reduce energy costs. The amount of energy used for lighting, operating the air conditioning system, and heating can account for up to 60% of a hotel's total energy costs, reducing the maximum with a photovoltaic system. Besides using solar panels, hotels can install windows with insulating film or install digital thermostats to minimize heat absorption from the sun and reduce electrical energy to maintain the premises. In addition, the design of rooms that are not exposed to direct sunlight can also significantly save energy and costs for air conditioning or cooling for the hotel.

(3) Waste control: hotels and restaurants need to research and invest in a waste management system to control them safely and effectively with the environment. Much of a hotel's daily waste can be recycled or reused if your hotel has a proper waste management system in place. Not only does this help keep the environment greener, but it also benefits the hotel with a short payback period and significant cost savings. The enterprise has a safety and security policy in the hotel - the restaurant implemented the following regulations.



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