

# Investigating the influence of organizational culture on competitive advantage through the mediating role of Entrepreneurial orientation

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## Abstract

The purpose of this research is to examine the effect of organizational culture (OC) on competitive advantage (CA) and the mediating role of entrepreneur orientation (EO) by utilizing resource-based views and dynamic capability theory in the hotel industry of Ethiopia. Structured questionnaires were administered, and data was drawn from (N = 180) managers of 65 hotels in Ethiopia through convenience sampling. The collected data was analyzed using Smart-PLS 4. The findings of this study indicated that OC significantly influences CA and EO partially mediates this relationship. Moreover, entrepreneurial orientation has a positive and significant influence on competitive advantage. The current research has an immense contribution for policymakers and managers of the tourism industry, mainly hotels, to foster competitive advantage through managerial interventions. This study will be a pioneering attempt to investigate the influence of organizational culture on competitive advantage, both directly and indirectly, through the mediating role of entrepreneurial orientation, employing resource-based view and dynamic capability theory.

*Keywords:* Competitive advantage; Entrepreneur orientation; Hospitality; Hotel management; Organizational culture; Tourism industry.

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## 1. Introduction

With a continued growth trend, these days tourism has become one of the largest and most significant economic sectors of the world (Sharpley, 2013; Western, 2013). However, changes in technology forced the tourism sector to find alternatives to foster competitive advantage. As stated by Widyanti and Mahfudz (2020), entrepreneurial orientation (EO) is among the competitive advantage (CA) contributor. Donbesuur et al. (2020) suggested that EO serves as a business motivator for nurturing entrepreneurial possibilities as well as for defining strategic processes. Using the resource-based view (RBV) and dynamic capability theory (DCT), there is a lack of research that looks at how organizational culture (OC), EO, and CA are related in the hospitality industry. Moreover, prior research has predominantly concentrated on the manufacturing sector (Doan, 2020; Januarty et al., 2024) and the service industry's competitive edge (Corralejo, 2023; Johnson, 2020), with minimal focus on the hospitality industry.

Moreover, some prior research findings indicated a significant relationship between organizational culture and competitive advantage in the hotels sector (Kusuma & Utomo, 2023; Rahmah, 2021). Nevertheless, to the best of the researchers' knowledge, none of the researchers have studied the relationship between OC, EO, and CA in the tourism industry. However, Elgarhy et al. (2023) conducted a study on the relationship between EO and CA in the travel agency sector, finding a significant and positive relationship. They recommended further research in other sectors such as hotels and countries to reveal more comprehensive empirical evidence.

Therefore, the primary goal of this research is to examine the direct correlation between organizational culture and competitive advantage, as well as the role of entrepreneurial orientation in mediating the relationship between OC and CA in the tourism industry, specifically focusing on 65 hotel managers in Ethiopia. Previous studies in Ethiopia mainly focused on tourist satisfaction and service quality (Berhanu et al., 2020; Gidey & Sharma, 2017; Hailemariam & Simachew, 2018). However, the literature review indicates that previous studies have undermined the relationship

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between OC, EO, and CA by using resource-based views and dynamic capability theories. Thus, the current research's main objective is to bridge the gap in the body of knowledge and examine the influence of OC on CA directly and through the mediation role of EO.

The primary motivation for conducting this study in Ethiopia stems from its status as one of the African nations with the highest number of UNESCO World Heritage Sites, dispersed across the entire country (Worku Tadesse, 2023), thereby presenting significant potential for growth as a tourism destination. Moreover, Yigrem et al. (2023) frequently refer to Addis Ababa as Africa's political capital. Therefore, the tourism industry needs vigorous promotion to sustain interest among tourists visiting Ethiopia (Gebremichael, 2022).

The significance of this research lies in its essential results, which managers in hotel enterprises can use for policy and decision-making. Moreover, this study should have important implications for firms seeking to adapt to an increasingly complex and unpredictable business environment. The study's findings also assist managers in incorporating entrepreneurial orientation strategies to sustain their competitive advantage. Moreover, the finding will add knowledge to literature of hospitality and tourism industry. This research paper is structured as follows: After the introduction, the second section provides an overview of the current state of the relevant studies and the creation of hypotheses. Section three outlines the methodological procedure. The fourth section of the paper presents the results and discussion, as well as managerial implications, limitations, and conclusion.

## **2. Literature review and Hypothesis development**

### *2.1. The Resource- Based -View*

According to the RBV, firms use their intangible resources, such as knowledge, to sustain a competitive advantage in a dynamic environment (Kryscynski et al., 2021). The RBV fully explains the understanding of organizational culture and entrepreneurial orientation, enabling a firm to enhance its competitive advantage through proper synchronization with strategic assets and core competencies. Successful implementation of organizational culture as an intangible asset at various organizational levels can result in specific assets and skills that enhance performance through creativity (Azeem et al., 2021). As stated by Jin et al. (2022), a business can acquire competitive advantage by leveraging its resources and competencies. Thus, the suggested framework, backed by an RBV, helps create the interconnected concepts of OC, EO, and CA as intangible resources that strengthen competitive advantage.

### *2.2. Dynamic Capability Theory*

According to Helfat & Peteraf (2003), DCT refers to the organization's potential to sense and reconfigure resources to adapt to the uncertain environment. This theory aligns well with our study's focus on organizational culture, entrepreneurial orientation, and competitive advantage. It explains how hotels with strong dynamic capabilities can effectively sense market trends and reconfigure strategies to achieve competitive advantage. DCT, a cornerstone of modern strategic management, underscores the essence of flexibility and adaptation within organizations. In the context of Ethiopia's bustling hotel industry, this theory illuminates how hotels can harness the power of dynamic capabilities to effectively navigate the ever-evolving hospitality landscape. This theory posits that firms' competitive advantages stem not merely from their existing resources but from their ability to rapidly sense changing environments and reconfigure their internal processes (Christensen, 1997). By fostering a culture of cross-functional collaboration, hotels can engender dynamic capabilities that drive market share (Waale & Onuoha 2023).

Moreover, DCT offers a comprehensive framework to elucidate the connections among organizational culture, entrepreneurial orientation and competitive advantage within the hospitality sector. DCT asserts that firms attain enduring competitive advantage by cultivating and utilizing internal skills that enable adaptation to fluctuating market situations (Teece et al., 1997). Organizational culture develops fundamental norms and values that affect adaptation, creativity, and collaboration, facilitating the development of dynamic capacities. EO, defined by innovation, proactivity, and risk-taking, functions as an operational mechanism that transforms cultural assets into strategic actions to exploit opportunities and mitigate dangers. These entrepreneurial activities augment the firm's capacity to innovate, distinguish offerings, and address client wants, therefore establishing a competitive edge (Zahra & George, 2002).

### *2.3. Organizational culture and Competitive advantage*

OC refers to the established norms and behaviors in a workplace as perceived and experienced by the workers (Latifi et al., 2021). However, competitive advantage refers to fostering and utilizing resources of the organization which are rare and unique in which competitors cannot do as distinctive competencies (Wattanapunkitti, 2021). Competitive

advantage is established by a distinctive asset possessed by a company, and the crucial factor for thriving in the dynamic environment and market (Hossain et al., 2022).

Prior study revealed that OC is considered a fundamental skill that enhances business competitiveness (Wang et al., 2019). Studies by Ratnasari et al. (2023) found a significant relation between OC and CA. According to RBV, OC is an internal resource that differs throughout businesses. Because culture is deeply ingrained in an organization, it influences decision-making processes, and making it challenging for competitors to imitate (Assensoh-Kodua, 2019). Competitors find it difficult to imitate a strong, distinctive culture, which turns into a core competency (Lin & Wu, 2014). DCT helps businesses take advantage of opportunities, reorganize resources, and maintain CA (Helfat & Peteraf, 2003). In conclusion, culture is considered by both RBV and DCT as a significant resource that is difficult to replicate. By fostering distinctive organizational competencies, a strong culture supports long-term CA (Liu, 2022). Thus, we can hypothesize in this study that:

**H1:** OC has a significant influence on CA

#### 2.4. *Organizational culture and Entrepreneurial orientation*

The correlation between corporate culture and entrepreneurial orientation (EO) in the hospitality sector is crucial, as culture profoundly affects the extent to which entrepreneurial behaviors can flourish. Organizational culture, characterized by collective beliefs, conventions, and practices, establishes the framework for innovation, proactivity, and risk-taking, which are fundamental aspects of entrepreneurial orientation (Lumpkin & Dess, 1996). A friendly and adaptable culture promotes creativity and experimentation, allowing hospitality enterprises to adjust to swiftly evolving client demands and competitive environments. Research by Tajeddini and Trueman (2012) illustrates that a customer-centric culture in hotels fosters entrepreneurial orientation by promoting creative service delivery and proactive client interaction. Research indicates that a collaborative culture that prioritizes employee contributions and interdepartmental communication enhances the probability of successful entrepreneurial ventures within the firm (Kraus et al., 2012). Consequently, aligning corporate culture with entrepreneurial orientation is crucial for fostering difference and maintaining a competitive advantage in the hotel industry.

Organizations with a strong entrepreneurial orientation develop unique investments in distinctive services, which may threaten the organization's resources (Escamilla-Fajardo et al., 2020; Quayson et al., 2024). On the other side, the expansion of entrepreneurial businesses necessitates a focus on market demands. To establish an innovative culture, several criteria must be addressed, such as managers' willingness to take risks, promoting creativity, and including all employees in the process (Mudjijah et al., 2022). Previous research has demonstrated a significant relation between OC and EO (Mudjijah et al., 2022; Liu et al., 2021). According to entrepreneurship studies, organizational culture is a crucial antecedent of entrepreneurial decision-making (Krzakiewicz & Cyfert, 2019). Based on the literature review the following hypothesis is constructed:

**H2:** OC has a positive and significant influence on EO

#### 2.5. *Entrepreneur orientation and Competitive advantage*

In accordance with the literature, the three components of EO are innovativeness, proactivity, and risk-taking. Luu (2022) defined innovativeness as a firm's proclivity for fostering new ideas and innovations in order to adapt uncertain environment. Firms which are proactive seek for new prospects and introduce novel services (Amarteifio & Agbeblewu, 2020). Consequently, Entrepreneurial orientation is vital for strengthening CA (Thirumalesh et al., 2021).

Prior researches have revealed a significant relation between EO and CA (Bambang et al., 2021; Elgarhy & Abou-Shouk, 2023; Kiyabo & Isaga, 2020). However, the study of Rizqiyah et al. (2023) found insignificant result between EO and CA. Thus, this contradicting finding shed light for further research. Therefore, the research hypothesis formed as:

**H3:** EO has a positive and significant influence on CA

#### 2.6. *The mediating role of EO the link between OC and CA*

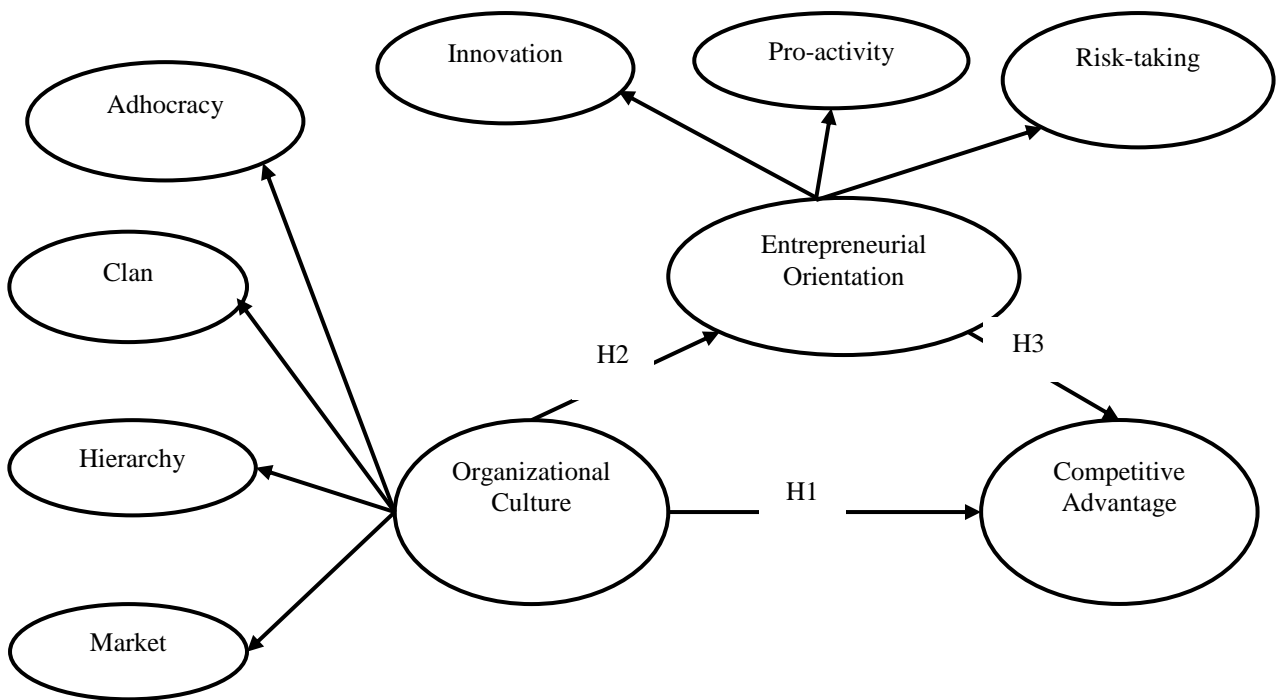
Prior study of Paudel (2020), revealed that EO mediates the relation between transformational leadership and business performance in Nepalis SMEs. Other study by Khedhaouria (2020) found that EO fully mediates the relation between OC and small firm performance. However, there is a gap in literature regarding the mediation role of EO, the relation between OC and CA in tourism industry. Furthermore, in the hospitality industry, entrepreneurial orientation is a variable that acts as a bridge between organizational culture and competitive advantage. It includes proactive,

innovative, and risk-taking behaviors that turn cultural values into strategic actions, creating a unique competitive advantage (Kankaew et al., 2024).

Organizational culture influences the values, norms, and attitudes that facilitate or obstruct entrepreneurial behaviors, whereas entrepreneurial orientation translates these cultural components into dynamic skills, including innovation in service delivery, adaptability to market fluctuations, and efficient resource management (Mehmood et al., 2024). Rauch et al. (2009) and Kreiser et al. (2010) conducted research that shows how EO connects internal organizational elements to performance, enabling organizations to leverage their cultural assets for strategic advantages. In the competitive hotel sector, EO facilitates the conversion of a customer-centric, flexible, and cooperative culture into actionable tactics that improve customer satisfaction and market positioning. Consequently, EO functions as an essential conduit, converting cultural assets into enduring competitive advantages.

According to RBV and DCT, OC is an internal resource that varies throughout firms. Due to the deep ingrained of culture within an organization, it is difficult for rivals to replicate employee behavior and decision-making processes (Assensoh-Kodua, 2019). As a mediator, EO stands for a company's inventive, risk-taking, and proactive approach. Entrepreneurial actions are encouraged by a strong culture. Businesses with an entrepreneurial mindset are more flexible, see possibilities, and add value (Khan et al., 2020; Mostafiz et al., 2022). Accordingly, OC influences CA through the mediation of EO (Khedhaouria et al., 2020). RBV and DCT both highlight the significance of unique resource and flexibility. Thus, the following hypothesis is constructed:

**H4:** EO has a mediating role between OC and CA



**Figure 1.** Research model.

### 3. Research Method and Materials

#### 3.1. Study Procedure and Sample

A cross-sectional study was conducted. Different-level managers of 65 2-, 3-, 4-, and 5-star hotels from Hawassa and Addis Ababa, Ethiopia, received structured questionnaires. We selected these cities due to their high tourist numbers. Rahman (2023) recommends a sample size in multivariate analysis that is 5 to 10 times the number of indicators. With 31 indicators in this study, a minimum of 155 respondents is required (31 indicators multiplied by 5). We acquired a total of 187 responses from 65 hotel managers of all levels using a convenience sampling method. However, only 180 usable data were used for this study after data cleaning, which is a 96.3% response rate and is considered sufficient for this study (Rahman, 2023). Thus, our sample size for this study is adequate.

### 3.2. Measurement

A 5-point Likert-type scale where 1 = "strongly disagree" and 5 = "strongly agree" for all construct items. Organizational culture is measured with 4 dimensions with each four items adapted from Eniola et al. (2019). EO with three dimensions with each three items such as innovation, proactivity, and risk taking adapted from Arabechei et al. (2022). CA was measured with 6 items adapted and modified from Osorio Tinoco et al. (2020).

## 4. Data Analysis and Results

To test the research hypotheses, the data from the questionnaire were analysed using Smart-PLS4. We assessed the convergent validity by examining the outer loadings and average variance extracted (AVE). Additionally, we evaluated the presence of multicollinearity using the variance inflation factor (VIF). We evaluated the internal consistency of the data by employing Cronbach's alpha (CA) and composite reliability (CR). The outer loadings in Table 1 surpass the threshold of 0.70, while the VIF value is under the limit of 3.0. The Cronbach's alpha value is above 0.70, as recommended by Hair et al. (2017) and Tessema et al. (2024). The CR value is within an acceptable range, exceeding 0.70. The AVE value is over 0.50, suggesting there is no convergent validity concerns (Hair et al., 2021). Thus, the data demonstrates internal consistency and reliability refer to Table 1.

**Table 1.** Assessment of measurement model.

Construct	CA	Item	Outer- Loading	VIF	CR	AVE
Adhocracy	0.829	ADH1	0.759	1.806	0.886	0.662
		ADH2	0.873	2.256		
		ADH3	0.807	1.700		
		ADH4	0.811	1.842		
Clan	0.804	CL1	0.763	1.620	0.871	0.628
		CL2	0.818	1.666		
		CL3	0.824	1.713		
		CL4	0.763	1.518		
Hierarchy	0.824	HRC1	0.813	1.803	0.883	0.655
		HRC2	0.803	1.685		
		HRC3	0.802	1.710		
		HRC4	0.817	1.793		
Market	0.849	MKT1	0.811	1.913	0.898	0.687
		MKT2	0.843	1.920		
		MKT3	0.814	1.815		
		MKT4	0.846	2.207		
Innovation	0.842	IO1	0.871	2.139	0.905	0.760
		IO2	0.873	1.975		
		IO3	0.870	1.945		
Pro-activity	0.813	PO1	0.895	2.152	0.889	0.728
		PO2	0.891	2.114		
		PO3	0.768	1.508		
Risk-taking	0.895	RT1	0.907	2.820	0.934	0.824
		RT2	0.876	2.439		
		RT3	0.940	2.969		
Competitive Advantage	0.886	CA1	0.863	2.541	0.913	0.637
		CA2	0.820	2.130		
		CA3	0.736	1.806		
		CA4	0.802	1.997		
		CA5	0.735	1.805		
		CA6	0.825	2.076		

Note: n=180. CA, Cronbach's alpha; VIF, Variance inflation factor; CR; Composite reliability; AVE, Average variance extracted.

After analysing the CV, discriminant validity (DV) was evaluated. Based on the result (see Table 2), there is no discriminant validity issue with HTMT, and the Fornell and Larcker criteria met acceptable criteria (Fornell &

Larcker, 1981). The HTMT value is within an acceptable range below 0.90, and the HTMT criteria also met (Henseler et al., 2015).

**Table 2.** Discriminant Validity.

Heterotrait-monotrait ratio (HTMT)									Fornell-Larcker criterion							
	ADH	CA	CL	HRC	IO	MKT	PO	RT	ADH	CA	CL	HRC	IO	MKT	PO	RT
ADH									0.814							
CA	0.178								0.145	0.798						
CL	0.198	0.365							0.170	0.322	0.792					
HRC	0.491	0.263	0.272						0.408	0.231	0.227	0.809				
IO	0.256	0.395	0.359	0.291					0.221	0.356	0.293	0.245	0.872			
MKT	0.100	0.161	0.054	0.191	0.056				0.014	0.139	-0.008	0.164	0.037	0.829		
PO	0.281	0.256	0.192	0.377	0.220	0.151			0.237	0.238	0.164	0.316	0.192	0.128	0.853	
RT	0.083	0.052	0.125	0.234	0.031	0.098	0.089		0.072	-0.008	0.087	0.208	-0.014	-0.046	0.061	0.908

After reliability and validity test with 5000 bootstrapping the value of path coefficients, t-values, and p-values were evaluated to test the hypotheses (see Table 3 and Figure 2). Organizational culture has a significant influence on competitive advantage ( $\beta = 0.220$ ; t-value = 2.350\*\*). Furthermore, the relation between organizational culture and entrepreneurial orientation found to be positive and significant ( $\beta = 0.471$ ; t-value = 7.187\*\*\*). Thus, based on our findings Hypotheses 1 and 2 are supported. This implies that OC has a significant effect on CA and EO in tourism industry mainly hotel sector of Ethiopia. Furthermore, EO has a significant influence on CA ( $\beta = 0.278$ , t-value = 2.882\*\*) also found significant. Moreover, the mediation effect of EO was also analysed and found significant ( $\beta = 0.131$ , t-value = 2.441\*\*) which implies that EO partially mediate the relationship between OC and CA in tourism industry of Ethiopia mainly hotel sector. Thus, hypothesis 4 is supported.

**Table 3.** Hypotheses test.

Hypotheses	Path	Coefficient( $\beta$ )	Mean	Standard deviation	t-value	P -values	Decision
H1	OC -> CA	0.220	0.236	0.094	2.350	0.019	Supported
H2	OC -> EO	0.471	0.493	0.066	7.187	0.000	Supported
H3	EO -> CA	0.278	0.278	0.096	2.882	0.004	Supported
<b>Mediation effect</b>							
H4	OC -> EO-> CA	0.131	0.138	0.054	2.441	0.015	Supported

Note: \*\* $p < 0.01$ , \*\*\* $p < 0.001$

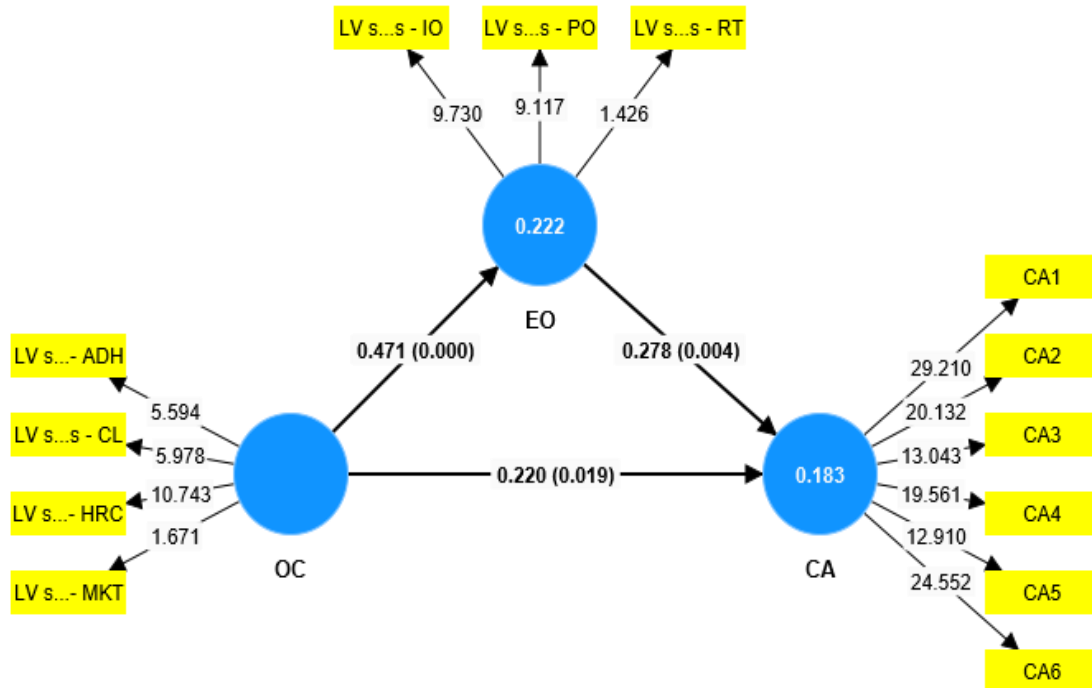
The SRMR value of the estimated model is 0.073, which is below the recommended threshold of 0.08 for model fit indices, indicating a strong alignment with the data. A sufficient model fit is achieved when the NIF value is 0.906, surpassing the minimum threshold of 0.9 (Goretzko et al., 2024). The R2 values for EO and CA are 0.222 and 0.183, respectively. The OC accounted for 22.2% of the variance in EO and 18.3% of the variance in CA. EO and CA have been discovered to have substantial and modest effects, with values of 0.222 and 0.183, respectively (Hair et al., 2014). Thus, the observed variable OC accounted for 0.222 of the variances in EO, over the threshold of 22.2%, indicating a significant impact.

Furthermore, OC accounted for 18.3% of the variance in CA. The score is less than 0.222, indicating a weak influence. The study's structural model quality was evaluated by blindfolding assessments in Smart-PLS software, with a specific focus on determining its predictive relevance value, known as Q-squared(Q2). Hair et al. (2019) suggests that for an endogenous construct, a Q2 value over zero is necessary to show that external influences can be used to predict this construct. The second quartile values for EO and CA are 0.172 and 0.085, respectively. The findings indicate that the model is predictive. The model is a good fit for the data as indicated in Figure 2.

### 5. Discussion

The main purpose of this research was to analyse effect of OC on CA, and the mediation role EO this relation. Thus, this research tried to shed light on the direct and indirect influence of OC on CA using resource-based view and dynamic capability theory in 65 selected hotels in Ethiopia.

Hypothesis 1 stated that OC has a significant and positive effect on CA which was our first objective of our study. Thus, the finding of this study support hypothesis 1. Moreover, RBV and dynamic capability theory is important to use our resources such as knowledge and capabilities to have sustainable competitive advantage. The finding of H1 is in line with previous finding of (Ratnasari et al., 2023; Wang et al., 2019). By fostering a culture of learning, encouraging cross-functional collaboration, and continuously refining their strategies, hotels can engender dynamic capabilities that drive a market share (Waale & Onuoha 2023).



**Figure 2.** Structural model assessment. Note: The one in the bracket indicates the P-value, while the one outside the bracket is the path coefficient.

Hypothesis 2 stated that OC has a positive and significant influence on EO. Thus, our finding support Hypothesis 2. The result of our study is in line with previous research of (Mudjijah et al., 2022; Liu et al., 2021). The possible explanation is that OC which is innovation oriented, risk-taking and pro-activity can enhance EO. OC immense contribution for EO using the resources and capability to innovate new service and attract more tourists through customer satisfaction. Thus, a tourism industry which is proactive, innovative and risk taking can have a potential to survive and fit in uncertain environment in which new technologies and rivalries are emerging.

Hypothesis 3, stated that EO has a positive and significant influence on CA. Thus, our finding supported H3. Dynamic capability theory underscores the hotel's capacity to identify market gaps, swiftly adopt technological advancements, and adapt their operations to cater to the discerning needs of guests through entrepreneurial orientation such as risk taking, innovation and pro-activity which enable them to have competitive advantage. The finding of this study is consistent with prior studies of (Elgarhy & Abou-Shouk, 2023; Kiyabo & Isaga, 2020). However, our study opposes the finding of (Rizqiyah et al., 2023). The hotel industry with OC that allow innovative culture, proactive and risk taking should foster competitive advantage using resources.

Lastly, Hypothesis 4 suggests that EO mediates the relation between OC and CA. The results support this suggestion and align with the finding of (Khedhaouria et al., 2020). However, there is a lack of research on the mediating function of EO the relation between OC and CA in the hospitality industry of emerging economies. The findings of this study suggest that EO significantly influences CA, both directly and as a mediator the relation between OC and CA.

Finally, the interaction between OC and EO positively impacted CA. While organizational culture and entrepreneurial orientation are generally advantageous, for the hotel industry to sustain a competitive edge, resources and capabilities are also crucial. The hotel sector managers must utilize resources and capabilities to compete in the dynamic and uncertain environment.

### 5.1. Theoretical implication

First, the finding of this study indicated that OC, has positive and significant influence on CA directly and indirectly through EO, add knowledge to the body of research. Furthermore, this research provides significant enhancements to the advancement of knowledge in various fields of literature on the subject matter under consideration.

Second, current research adds to the theory by examining unique intuition about EO as source of CA for the tourism industry. This study shed light on further insight. Furthermore, it boosts awareness and exposure to EO, assisting in the deconstruction of any misconceptions.

Lastly, the finding of current research add knowledge to the body of literature regarding the mediation role of MO the relation between OC and CA using RBV and DCT in the tourism industry mainly emerging economies. Furthermore, the finding of this study shed light to the theory of RBV and DCT and encourage further study in the other geographical area.

### 5.2. Managerial implication

The finding of this study has immense practical contribution for tourism industry managers and government bodies since needs further concentration to sustain competitive advantage.

First, to our knowledge, based on literature review this is the first study in the context of tourism industry in emerging economies. Thus, the finding of this research has immense ascribe for managers considering the finding of this research.

Second, our findings might help scholars understand which empirically based aspects impact tourist business performance and sustainability. Furthermore, policymakers, decision-makers, and economic sector managers can gain insight into how to develop CA by utilizing EO concepts in the tourism sector.

Third, the finding of this research enables tourism and hospitality firms to reassess their development priorities in order to attain EO. Moreover, the finding of the current study encourages hotels owners and managers to evaluate and control their CA strategic plan. Furthermore, the present finding underscores the importance for managers of the hotels to closely monitor their marketing strategy and evaluate in order to maximize opportunities for growth and CA.

Fourth, hospitality and tourism enterprises require inventive and distinctive marketing strategies to analyze market desires and align with customer expectations. Tourism businesses should assess their technical availability and implement innovation centered culture with flexible organizational structure which supports innovation to enhance CA. Lastly, managers have to promote their EO while developing and maintaining a competitive advantage.

### 5.3. Limitation and future research

Despite the previous contributions, the current study also has some limitations. First, the finding of present research is restricted to the hotel business and must be validated across sectors (restaurants, banks, and airlines) and nations in order to provide generalized concrete data. Furthermore, it is imperative to do further research that encompasses many cultural and geographical perspectives in order to generalize the finding of this study. Second, the outcome of current research only represents the perspectives of hotel managers; so, we suggest researchers verify the validity of the model on clients to assess its clarification of power for consumer satisfaction and loyalty. Third, the model only concentrated on direct and indirect effects. In future studies, other variables can be included to the current model as a moderating variable between OC and CA, and EO and CA, such as knowledge sharing, innovative culture and strategic flexibility to test whether strengthen or weaken the relation between OC and CA.

## 6. Conclusion

The current study is intended to assess the direct and indirect effects of entrepreneurial orientation on competitive advantage while taking into account EO's mediating effect. In our study of hotel managers in Ethiopia, we discovered that organizational culture has a positive and significant impact on competitive advantage both directly and through the mediating effect of entrepreneurial orientation. This study validates theory by investigating organizational culture and entrepreneurial orientation as crucial factors in achieving competitive advantage. This is consistent with the concept with the "resource-based view," and "Dynamic Capability Theory" which emphasize the importance of intangible and tangible resources for cultivating new business values and leading to long-term success in a competitive and dynamic environment. This research primarily contributes to the theoretical understanding of the

relationship between organizational culture, entrepreneurial orientation and competitive advantage within the hotel industry of emerging economies.

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