

Analysis of the Effect of Intellectual Capital, Organizational Culture, and Information and Communication Technology on the Performance of Hospitality Companies Mediated by Dynamic Capability Re-engin

Submission date: 15-Jun-2023 09:51AM (UTC+0700)
by Setio Utomo

Submission ID: 2116340091

File name: b685107-1867.pdf (994.59K)

Word count: 6205

Character count: 34623

1
**Analysis of the Effect of Intellectual Capital, Organizational Culture,
and Information and Communication Technology on the Performance
of Hospitality Companies Mediated by Dynamic Capability
Re-engineering Innovation
(Empirical Study of Star Hotels in South Kalimantan and East Kalimantan)**

SETIO UTOMO¹, SUGENG WAHYUDI², NGATNO³, BULAN PRABAWANI⁴

¹Faculty of Social and Political Sciences, Lambung Mangkurat University, Banjarmasin, INDONESIA

²Faculty of Economics and Business, Diponegoro University, Semarang, INDONESIA

^{3,4}Faculty of Social and Political Sciences, Diponegoro University, Semarang, INDONESIA

1
Abstract: - The design of this research uses a quantitative approach. The data collection technique in this study uses a questionnaire of 127 people, while the sampling technique used in this study is saturated sampling. Saturated sampling is if all population members are used as samples, in which the sampling criteria are saturated. This study is the entire population of General Managers (GM) / owners of five-star hotels (a person mandated by the GM/hotel owners) in the Provinces of South Kalimantan and East Kalimantan. The analytical technique used in this research is Structural Equation Model (SEM) using SmartPLS software. The study results indicate that Intellectual Capital has no significant effect on the Performance of Hospitality Companies. Organizational Culture has a significant effect on the Performance of Hospitality Companies. Information and Communication Technology has no significant effect on the Performance of Hospitality Companies. Intellectual Capital has no significant effect on the dynamic ability of innovation re-engineering. Organizational culture has a significant effect on the dynamic ability of innovation re-engineering. Information and Communication Technology has no significant effect on the dynamic ability of innovation re-engineering. The dynamic ability of innovation re-engineering significantly affects the Performance of Hospitality Companies.

Key-Words: - Intellectual Capital, Organizational Culture, Information and Communication Technology, Dynamic Ability Re-engineering Innovation, Hospitality Company Performance.

Received: November 24, 2022. Revised: March 21, 2023. Accepted: April 11, 2023. Published: April 24, 2023.

1
Introduction

The globalization of the economy has opened opportunities for foreign entrepreneurs to compete in attracting local consumers. The causes of globalization impacted the service industry, such as the telecommunications, banking, transportation, and hospitality industries are developing dynamically and rapidly, [1]. Along with globalization, the development of the business world in the service sector is developing rapidly, especially in the hotel industry. A hotel is one of the business fields included in the Hospitality Service Industry category, which is a business field that aims to provide lodging or room facilities, food and beverage services, as well as a place to organize a specific event for the community. It requires local entrepreneurs as hosts to recognize consumer behavior which then adapts the company's capabilities to their needs.

The island of Kalimantan, known as Borneo, is one of the world's lungs with various natural

biological and cultural resources. This diversity can attract domestic and foreign tourists to the island of Kalimantan or Borneo, especially South Kalimantan and East Kalimantan. Kalimantan Island has many natural resources to attract investors and expatriates to come to Kalimantan Island, especially South Kalimantan, which is known for its coal mines and horticultural crops (palm), and East Kalimantan with its oil.

As a province that will support the new capital, these two provinces must be able to positively contribute to business development, such as hospitality services. Hotel business players must be ready to serve the arrival of domestic and foreign tourists who want to invest and become expatriates in South Kalimantan and East Kalimantan. The results of a survey by the Central Statistics Agency of the Provinces of South Kalimantan and East Kalimantan on hospitality service companies/businesses from 2014 to 2020 provide information that the growth of star and non-star

hotels is constantly increasing. However, in terms of the number of star hotels, it is far behind. The trend for star hotels in South Kalimantan from 2014 to 2020 continues to increase yearly. However, non-star hotels experience an up-and-down trend every year, while in East Kalimantan, from 2014 to 2020, both star and non-star hotels trend every year continues to increase.

South Kalimantan and East Kalimantan in 2020 have increased and decreased from the percentage of occupancy provided by star hotels. Hotel business actors in providing good service and making it easy for foreign and local tourists who visit to stay at their place can take advantage of current information technology advances such as collaboration with OTAs. This collaboration is another innovation with different values from similar competitors in the industry hospital.

Advances in proliferating information and communication technology require hoteliers to connect with the latest technological innovations to remain competitive in a dynamic industry. The phenomenon of problems and challenges faced because of the increasing complexity and dynamics of the business environment has forced hoteliers in South Kalimantan and East Kalimantan to be observant in developing the performance of the hotel companies they manage. Efforts to survive and win increasingly competitive competition require hoteliers to formulate business strategies for a competitive advantage.

Organizational performance, in this case, can be measured by the performance of human resources and finance. Also, it can be seen from various aspects such as job satisfaction, employee loyalty, commitment, quality, and productivity in the financial sector. How organizations obtain optimal business performance in implementing a quality strategy differs. Hospitality organizations take different approaches to implementing service quality strategies, so these differences give rise to a style of implementation, [2], [3].

The performance of hotel companies based on data from the Central Statistics Agency in 2020 showed that the performance of hotel companies in South Kalimantan and East Kalimantan could have been better in terms of occupancy rates and length of stay. In 2020, the occupancy rate of star hotel rooms in South Kalimantan was 38.54% and in East Kalimantan was 40.60%. When compared to 2019, this value decreased by 12.18% whereas in 2019 the occupancy rate of star hotel rooms reached 50.72% in South Kalimantan, while in East Kalimantan in 2019 the occupancy rate of star hotel rooms reached 57.70%. decreased by 17.10%. This was due to the

outbreak of the Covid-19 pandemic, all hotel classes experienced a decrease in room occupancy rates.

The number of foreign and domestic tourists who came and stayed at hotels in South Kalimantan during 2020 amounted to 976,277 people. The highest number of domestic guests was 974,153 people, meanwhile, foreign guests only 2,124 people. When compared to 2019 the number of guests who came and stayed was 2,026,699 people with a total of 2,016,778 domestic guests and 9,921 foreign guests. Meanwhile, the number of foreign and domestic tourists or guests who came and stayed at hotels in East Kalimantan in 2020 was 2,030,346 people. The number of domestic guests was the largest with a total of 2,014,607 people, meanwhile, foreign guests only 15,639 people. When compared to 2019 the number of guests who came and stayed was as many as 6,948,118 people with some domestic guests as many as 6,875,817 people and foreign guests as many as 72,301 people due to the Covid-19 virus pandemic in almost all parts of Indonesia. Therefore, the performance of hotel companies in South Kalimantan and East Kalimantan must be further improved by making various strategic and innovative breakthroughs because it will have an impact on the continuity of the company.

Hotel companies, to be able to compete with other hotels, must of course be able to compete competitively. The competitive environment requires hoteliers to innovate so that organizations become increasingly aware that their physical and financial assets are not capable of generating a sustainable competitive advantage, by understanding the allowable assets that enable value to be created for their products and services. So that the hotel's business performance will improve by making improvements or changes to **Intellectual Capital, Organizational Culture, and Information and Communication Technology**. Intellectual capital as a collection of interacting intangible resources generate added value, [4].

The results of previous studies showed that **intellectual capital had no significant effect on hotel performance**. In the academic field, there is certainly an interest in how intellectual capital influences organizational performance. Conceptually, intellectual capital looks clear and logical to have an impact on hotel performance, but practically, the existence of this relationship cannot be fully confirmed in the world of economy and industry, [5], [6].

A good Intellectual capital must be balanced with a strong organizational culture to be able to have a major influence on business performance.

Organizational culture has a strong influence in the way employees behave, work, and communicate with colleagues and how to provide a view of the future by developing insights based on norms, values, and beliefs. Culture is so complex that it is difficult to read from outside the organization. A very strong organizational culture will certainly make employees work to achieve company goals. The performance of the hotel company will certainly be improved by paying attention to the organizational culture that exists in the company, [7].

Organizational culture can also be very strong and has the potential to make every employee aware of the goals of the company and work towards achieving them. Companies that are successful in winning the competition certainly have a strong culture, especially if the culture is strong. Organizational culture is the main resource in an organization that must maintain a competitive advantage, [8].

However, to improve hotel performance, apart from the intellectual abilities of employees and a conducive organizational culture, it is also necessary to use information and communication technology. Technological advances in hospitality have developed over the past few years. The development of information and communication technology has changed business for the better, between practices and strategies as well as industry structures [9]. Several existing hotels have utilized information and communication technology to automate their business processes. Business processes are driven by information and communication technology to make industry changes gradually to produce a new paradigm. This can change the existing industrial structure, to develop various opportunities and threats that may occur. Information and communication technology not only empowers customers to identify, customize, and buy hospitality products but also supports the globalization of the industry by providing suppliers with effective tools to develop, manage and distribute product offerings worldwide. The purpose of the use of information and communication technology is to improve service quality and contribute to customer satisfaction, to present information that is more accurate, effective, and relevant, [10], [11].

Innovations owned by the hospitality industry can certainly be quickly imitated. Therefore, it is necessary to encourage hoteliers to have the dynamic ability to re-engineer innovation to survive and develop continuously. The dynamic ability to re-engineer needs to be adjusted with stakeholders

by utilizing resources and capabilities that are scarce and difficult to imitate, [12]. Conceptually, the impact of intellectual capital on firm performance is clear and logical, but practically, this relationship cannot be fully confirmed in every economy and industry. In addition, research shows that investing in intellectual capital does not always have adequate capital, [5].

2 Literature Review

Re-engineering is a redesign of a process to streamline processing time and is oriented towards efficiency and cost. Manipulation repeat could give changes dramatically such as cost reduction, cycle time reduction, and significant quality improvement. In general, many business processes are very complicated and only a few people in the organization understand and can carry out these processes, [12]. Therefore, re-engineering is important to simplify the process which will have implications for saving time and money cost. This is also why this re-engineering can improve the quality of work because each staff can get things done in a better way. In addition, re-engineering will make companies more flexible to respond to unwanted events in a rapidly changing business environment. The success of a business process re-engineering lies in how effectively something an organization which is already re-engineered can process man, data, and technology inside it in response to demands and business challenges that change and evolve from time-to-time, [13].

Innovation is creativity that is translated into something that can be implemented and adds value to the resources we have. So, to always be able to innovate requires creative intelligence. Hospitality performance must match the capabilities of its resources and ability to innovate. The hospitality industry is a sector driven by the ability to innovate that service providers offer rather than pursuing it themselves. Without innovation, the company will not be able to survive long. This is due to the changing needs, wants, and demands of customers. Customers will not always consume the same product. Customers will look for other products from other companies that are felt to satisfy their needs, [14].

Innovation capability is the ability to develop products or services according to the demand market by implementing appropriate and fast processes in response to technological changes and unexpected opportunities by competitors. Innovative organizations must be able to increase innovation capabilities both in terms of individuals and the

organization itself. The ability to innovate is a concept about the ability of a company to develop new ideas into innovations. Innovation capability is proposed as a high-level integration capability, namely the ability to print and manage multiple capabilities. Organizations that can integrate their key capabilities and corporate resources to successfully stimulate innovation, [15].

The dynamic ability of innovation re-engineering is a variable that is built on several concepts. These concepts include dynamic capabilities, business process re-engineering, and innovation capabilities. The dynamic capability of re-engineering innovation is one of the efforts to improve the company's ability to maintain a competitive advantage to achieve good business performance in the hospitality sector. Star hoteliers need to make changes to attract and retain customers, this is due to the existence of the Provinces of South Kalimantan and East Kalimantan as buffer zones for the new capital city of the Republic of Indonesia. The company's performance can be seen in the company's ability to return the unique assets owned and controlled by the company. Furthermore, the company must be able to maintain a competitive advantage. A sustainable competitive advantage exists only when the other party's efforts fail to emulate that advantage, [16].

Dynamic capabilities are in the context of creating capabilities without waiting for a crisis from the external environment, whereas dynamic capabilities are strategic organizational routines as processes for integrating, re-configuring, acquiring, and releasing resources, [17]. Furthermore, to improve business processes where in general many business processes are very complicated and only a few people in the organization understand and can carry out these processes. Therefore, re-engineering is important to simplify the process which will have implications for saving time and money cost. And the key to success in re-engineering lies in the knowledge and ability to implement it, not luck, [13].

Information and communication technology play an important role in business process re-engineering. Many people think that business process re-engineering supported by information technology is the same as automation. This opinion is of course wrong because the two fields have different meanings from each other. Automation only results in more efficient ways of doing the wrong things. Companies that equate information technology with automation cannot re-engineer their business processes. Information technology is one of the main components that must be considered by

modern companies who want to re-engineer their business processes, [13]. Information technology has seven dimensions; human resources and training, security, reservations, revenue management, marketing, guest services, as well as strategic and operational management, [18].

Phrases like output, performance, efficiency, and effectiveness are often associated with productivity. Productivity itself is the ratio of output to input. Some even look at performance by emphasizing the value of efficiency, which is defined as the ratio of output and input, while efficient measurement replaces the determination of the outcome, [36]. In addition to efficiency, productivity is also associated with the quality of output which is measured based on several predetermined standards. Performance is the ability to work, something related to the goals achieved and the level of achievement possessed by the company at a certain time, [19].

Company performance can be measured in an organization, namely based on the performance of human resources and financial performance, by looking at aspects such as job satisfaction, commitment, or loyalty of employees in the company, product quality, productivity, and financial strength. measured from the perceived performance of an organization associated with its competitors which includes several aspects, such as quality, product or service, new product development, customer satisfaction, product price, increased sales, profitability, and so on. The organizational performance here is measured by looking at the marketing performance and the performance of its human resources, [20].

3 Methodology

The method in this study uses a qualitative method. Qualitative research is a method based on the philosophy of positivism, which aims to examine certain populations and samples that can be classified, collect data using research instruments, and are quantitative to test predetermined hypotheses. This study seeks to provide solutions in depth with deductive reasoning, namely by analyzing based on general understanding of facts and then the results provide specific solutions.

The type of data used in this research is primary data which includes data related to the respondent's statement on Intellectual Capital, Organizational Culture, Information and Communication Technology, Dynamic Ability of Re-engineering Innovation, and Performance of hospitality companies. This primary data was obtained or

sourced from the respondents of the General Manager (GM) / owner of a five-star hotel (a person whom the GM/hotel owner mandated) by distributing questionnaires directly. Secondary data is obtained from literature, documentation, and publications both internationally and nationally.

The sampling technique in this research is the technique of non probability sampling. Non-probability sampling is a sampling technique that does not provide equal opportunities/opportunities for each element or member of the population to be selected as a sample, [21]. One type of sampling technique from non-probability sampling is by using a saturated sampling technique (census). Saturated sampling is a sampling technique in which all members of the population are used as samples. In this study, the researchers used a sample of 127 General Manager (GM) / star hotel owners (a person who was mandated by the GM/hotel owner) in the Provinces of South Kalimantan and East Kalimantan.

The method of data collection in this research is using a questionnaire (questionnaire) given to the General Manager (GM) / owner of a star hotel (a person who is mandated by the GM/hotel owner) in the provinces of South Kalimantan and East Kalimantan. After the research data is collected, the next step is to analyze the data.

Hypothesis test data analysis was performed using Partial Least Square (PLS) software. According to World, Partial Least Square (PLS) is a powerful analytical method because it is not based on many assumptions. Partial Least Square (PLS) was used to analyze the data in this study with SmartPLS version 3.0 software. The path analysis model in this study uses the following structural equation, [21]:

$$Z = b_1X_1 + b_2X_2 + b_3X_3 + E_1$$
$$Y = b_1X_1 + b_2X_2 + b_3X_3 + Z + E_1$$

Where:

- b = Regression coefficient of variables X, Y, and Z
- X = Intellectual Capital, Organizational Culture, Information, and Communication Technology
- Z = Dynamic Capability re-engineering Innovation
- Y = Hospitality Company Performance
- e = error

A structural model (inner model) is a structural model to predict causality between latent variables. Through the bootstrapping process, t-statistic test parameters were obtained to predict the existence of a causal relationship. The structural model (inner model) is evaluated by looking at the percentage of variance explained by the R2 value for the

dependent variable using the Stone-Geisser Q-square test and looking at the magnitude of the structural path coefficient, [21].

a. R-square (R²)

Assessing the structural model can be started by looking at the R-squares that exist in each endogenous variable as a prediction of the structural model. Changes in the R-square value can later be used to explain the effect of certain exogenous latent variables on endogenous variables that have a substantive effect. R-Squared values of 0.75, 0.50, and 0.25 can be concluded that the model is strong, moderate, and weak.

b. Q² Predictive Relevance

Q² Predictive Relevance can be used to interpret the synthesis of cross-validation and fitting functions by predicting from observed variables and estimates of construct parameters. The model is declared to have predictive relevance if the value of Q² > 0, while the model is declared to have less predictive relevance if the value of Q² is < 0. The q² predictive relevance values of 0.02, 0.15, and 0.35 indicate that the model is weak, moderate, and strong.

c. Bootstrapping (Hypothesis testing)

The bootstrapping procedure uses the entire original sample for resampling. In the resampling bootstrap method, the significance values used (two-tailed) are t-value 1.65 with significance level = 10%, 1.96 with significance level = 5% and 2.58 with significance level = 1%

4 Results

This study has a unit of analysis in South Kalimantan and East Kalimantan Star Hotels. The general description of the identity of research respondents includes age, gender, education, position, hotel location, number of employees, and hotel class. The number of respondents in this study was 127 hotels spread across South Kalimantan and East Kalimantan. The following is a description of the identity of the respondents in this study.

Testing of the outer model is carried out with the results already fulfilling, then further testing of the inner model is carried out. The inner model can be evaluated by looking at the results of the r square to see the dependent construct and the t statistic value of the coefficient test results. If the value of q square is higher, it means the better the proposed research model. The value of path coefficients shows the level of significance in hypothesis testing

4.1 R-Square

Inner models describe the relationship between latent variables based on substantive theory. The structural model was evaluated using R-square for the dependent construct. The value of R² can be used to assess the effect of certain endogenous variables and whether exogenous variables have a substantive effect. Based on the data processing that has been done using SmartPLS 3.0, the R-Square value is obtained as follows.

Table 1. R Square

Variable	R Square	R Square Adjusted
Dynamic Capability re-engineering Innovation	0.619	0.609
Hospitality Company Performance	0.825	0.820

Source: Processed primary data, (2022)

Based on the r-square value in Table 1 shows that Intellectual Capital, Organizational Culture, and Information and Communication Technology can explain the variability of the construct. The dynamic ability of innovation re-engineering is 60.9%, and the remaining 39.1% is explained by other constructs outside those studied in this research. Intellectual Capital, Organizational Culture, Information and Communication Technology, and the dynamic ability of innovation re-engineering can explain the variability of the Hospitality Company Performance construct by 82%, and the remaining 18% is explained by other constructs outside those studied in this study.

4.2 Q-Square

The empirical model can be evaluated by looking at Q square (Predictive Relevance). Q-square measures how well the observed values generated by the model and the parameter estimates are. A Q-square value greater than 0 (zero) will indicate that the model has a Predictive Relevance value, whereas if the Q-square value is less than 0 (zero) it will indicate that the model lacks Predictive Relevance. However, if the calculation results show a Q-square value of more than 0 (zero), then the model is feasible to be said to have a relevant predictive value. If the values obtained are 0.02 (small), 0.15 (medium) and 0.35 (large). The results of the

calculation of Q square (Q2) can be seen in table 5.27 below:

Table 2. Q Square

Variable	SSO	SSE	Q ²
Organizational culture	1016,00 0	1016,00 0	
Information and communication technology	1421,00 0	1421,00 0	
Dynamic Capability re-engineering Innovation	889,000	562,561	0,367
Hospitality Company Performance	889,000	460,094	0,482
Intellectual Capital	1651,00 0	1651,00 0	

Source: Processed primary data, (2022)

Based on table 2, it is known that the value of Q square (Q2) for the variable dynamic ability of innovation re-engineering is 0.367, and the hotel company performance variable is 0.482. By looking at these values, it can be concluded that this study has a good observation value because the value of the Q square is > 0 (zero).

4.3 Hypothesis Testing

Hypothesis testing is done by looking at the results of the inner model consisting of the output r square, path coefficient, and t statistics. To see whether the hypothesis can be accepted or rejected, it will be seen from the significant value between the constructs, t-statistics, and p-values. The hypothesis testing of this research was carried out with the help of SmartPLS 3.0 software. These values can be seen from the bootstrapping results. The rule of thumb used in this study is t-statistic > 1.96 with a significance level of the p-value of 0.05 and a positive beta coefficient. The structural model of this research can be seen in the following figure:

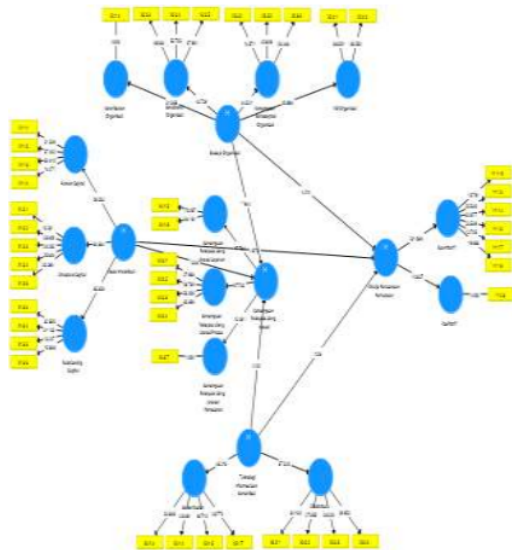


Fig. 1: PLS Bootstrapping Results
Source: Processed primary data, (2022)

To be able to see the significant value in the above model on structural model testing, it can certainly be seen in the statistical t value between variables or can be seen in the part coefficient table below:

Table 3. Path Coefficients

Hypothesis	P Value	t Statistics (IO/STDEVI)	Information
X1 -> Y	0.679	0.498	Rejected
X2 -> Y	9,214	0.000	Received
X3 -> Y	1.126	0.261	Rejected
X1 -> Z	1.334	0.183	Rejected
X2 -> Z	7,944	0.000	Received
X3 -> Z	0.151	0.880	Rejected
Z-> Y	6,932	0.000	Received

Source: Processed primary data, (2022)

Based on the test results of each hypothesis proposed in this study by looking at the results of t-statistics and path coefficients in Table 3, it can be explained as follows:

1. The results of the analysis on the smart pls test showed that the t-statistic value was $0.679 < 1.96$. This shows that Intellectuals have no significant effect on Hotel Company Performance at a significance level of 5% because the t statistic value is lower than the t table. This means that the first hypothesis is rejected.

2. The results of the analysis on the smartpls test found that the t-statistic value was $9.214 > 1.96$. This shows that Organizational Culture significantly affects Hospitality Company Performance at a significance level of 5% because the t statistic value is greater than the t table. This means that the second hypothesis is accepted as true.
3. The results of the analysis on the smartpls test found that the t-statistic value was $1.126 < 1.96$. This shows that Information and Communication Technology has no significant effect on the Performance of Hospitality Companies at a significance level of 5% because the t statistic value is lower than the t table. This means that the third hypothesis is rejected.
4. The results of the analysis on the smartpls test found that the t-statistic value was $1.334 < 1.96$. This shows that Intellectual Capital has no significant effect on the dynamic ability of innovation re-engineering at a significance level of 5% because the t statistic value is lower than the t table. This means that the fourth hypothesis is rejected.
5. The results of the analysis on the smartpls test found that the t-statistic value was $7.944 > 1.96$. This shows that Organizational Culture significantly affects the dynamic ability of innovation re-engineering at a significance level of 5% because the t statistic is greater than the t table. This means that the fifth hypothesis is accepted as true.
6. The results of the analysis on the smartpls test found that the t-statistic value was $0.151 < 1.96$. This shows that Information and Communication Technology has no significant effect on the dynamic ability of innovation re-engineering at a significance level of 5% because the t statistic value is lower than the t table. This means that the sixth hypothesis is rejected
7. The results of the analysis on the smartpls test found that the t-statistic value was $5.928 > 1.96$. This shows that the dynamic ability of innovation re-engineering has a significant effect on the Performance of Hospitality Companies at a significance level of 5% because the t statistic value is greater than the t table. This means that the seventh hypothesis is accepted as true

4.3 Indirect Testing (Mediation)

Indirect testing aims to prove whether the dynamic ability of innovation re-engineering mediates between Intellectual Capital, Organizational Culture, and Information and Communication Technology on the Performance of Hospitality

Companies. The relationship between these variables can be seen in the empirical model in table 4 below:

Table 4. Indirect Effect

Hypothesis	P Value	t Statistics (IO/STDEV)	Information
X1 -> Z -> Y	2,143	0.033	Received
X2 -> Z -> Y	4,218	0.000	Received
X3 -> Z -> Y	0,341	0.733	Rejected

Source: Processed primary data, (2022)

Based on the test results in table 4, it can be explained as follows:

1. The calculation results can be seen that the t-statistic value is $2.143 > 1.96$, meaning that the mediation results are said to be significant. The results can be concluded that the model of the dynamic ability of innovation re-engineering as a mediation of the influence of Intellectual Capital on the Performance of Hospitality Companies can be accepted as true.
2. The calculation results can be seen that the t-statistic value is $4.218 > 1.96$, meaning that the mediation result is said to be significant. These results can be concluded that the dynamic ability of innovation re-engineering to mediate the influence of Organizational Culture on the Performance of Hospitality Companies can be accepted as true.
3. The calculation results can be seen that the t-statistic value is $0.341 > 1.96$, meaning that the mediation results are said to be insignificant. These results can be concluded that the dynamic ability of innovation re-engineering to mediate the influence of Information and Communication Technology on the Performance of Hospitality Companies can be rejected.

5 Conclusion

Based on the results of the research that has been done, the conclusions obtained to answer the problem formulation and hypotheses in this study are first, Intellectual Capital has no significant effect on Hotel Company Performance. Second, Organizational Culture significantly affects the Performance of Hospitality Companies. Third, Information and Communication Technology has no significant effect on the Performance of Hospitality Companies. Fourth, Intellectual Capital has no significant effect on the dynamic ability of innovation re-engineering. Fifth, Organizational

Culture has a significant effect on the dynamic ability of innovation re-engineering. Sixth, Information and Communication Technology has no significant effect on the dynamic ability of innovation re-engineering. Seventh, the dynamic ability of innovation re-engineering has a significant effect on the Performance of Hospitality Companies.

Suggestions in this study are as follows; First, hotel owners can give their employees the freedom to be professional to customers and give them the freedom to innovate at work. Second, the owner of a hotel company creates the right set of values in directing the way employees act and interact and provides education regarding the work they do. Third, the owner of the hotel company should make more use of ICT to make the work of employees easier. Fourth, the owner of the hotel company waives the cost of online hotel bookings and provides tourist access to hotel customers. Fifth, the owner of a hotel company must have a high commitment so that it can convince and be trusted by customers.

References:

- [1] Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2018). *Services Marketing: Integrating Customer Focus Across The Firm*, Seventh Edition. New York: McGraw-Hill Education.
- [2] Wan, D., Ong, C. H., & Kok, V. (2002). Strategic Human Resource Management and Organizational Performance in Singapore. *Compensation & Benefits Review*, 34(4), 33–42. <https://doi.org/10.1177/0886368702034004006>
- [3] Harrington, D., & Akehurst, G. (1996). Service quality and business performance in the UK hotel industry. *International Journal of Hospitality Management*, 15(3), 283–298. [https://doi.org/10.1016/S0278-4319\(96\)00021-7](https://doi.org/10.1016/S0278-4319(96)00021-7)
- [4] Bontis, N. (1998). Intellectual Capital: An Exploratory Study That Develops Measures and Models. *Management Decision*, 36. <https://doi.org/10.1108/00251749810204142>
- [5] Bontis, N., Janošević, S., & Dženopoljac, V. (2015). Intellectual capital in Serbia's hotel industry. *International Journal of Contemporary Hospitality Management*, 27(6), 1365–1384. <https://doi.org/10.1108/IJCHM-12-2013-0541>
- [6] Wang, W. Y., & Chang, C. (2005). Intellectual capital and performance in causal models. Evidence from the information

- technology industry in Taiwan. *Journal of Intellectual Capital*, 6(2), 222–236. <https://doi.org/10.1108/14691930510592816>
- [7] Cameron, K. S., & Quinn, R. E. (2011). *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*, 3rd edition. San Francisco: Jossey-Bass.
- [8] Sinclair, M., & Sinclair, C. (2009). Improving hotel efficiency through integration of service and project management cultures. *International Journal of Hospitality and Tourism Administration*, 10(4), 344–360. <https://doi.org/10.1080/15256480903337155>
- [9] Eng, D. P. B., Eliya, D., Unza, B., Ong, S. Y. Y., Habidin, N. F., Salleh, M. I., Okeyo, D. O. (2016). Determinants of ICT Adoption among Hotels in Kenya: A Multiple Case Study. *International Journal of Business and Social Science*, 7(12), 130–138. <https://doi.org/10.5923/j.scit.20160603.01>
- [10] Yunis, M., Tarhini, A., & Kassar, A. (2018). The role of ICT and innovation in enhancing organizational performance: The catalyzing effect of corporate entrepreneurship. *Journal of Business Research*, 88(June 2017), 344–356. <https://doi.org/10.1016/j.jbusres.2017.12.030>
- [11] Campo, S., Díaz, A. M., & Yagüe, M. J. (2014). Hotel innovation and performance in times of crisis. *International Journal of Contemporary Hospitality Management*, 26(8), 1292–1311. <https://doi.org/10.1108/IJCHM-08-2013-0373>
- [12] Hammer, M., & Champy, J. (1993). *Re-engineering*. <https://doi.org/10.1017/CBO9781107415324.004>
- [13] Orfila-Sintes, F., Crespí-Cladera, R., & Martínez-Ros, E. (2005). Innovation activity in the hotel industry: Evidence from the Balearic Islands. *Tourism Management*, 26(6), 851–865. <https://doi.org/10.1016/j.tourman.2004.05.005>
- [14] Lawson, B., & Samson, D. (2001). Developing Innovation Capability In Organization : A Dynamic. 5(3), 377–400.
- [15] Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99–120. <https://doi.org/10.1177/014920639101700108>
- [16] Eisenhardt, K. M., & Martin, J. A. (2019). Dynamic capabilities: What Are They? *European Business Review*, 31(1), 25–63. <https://doi.org/10.1108/eb-03-2018-0060>
- [17] Zollo, M., & Winter, S. G. (2002). Deliberate learning and the evolution of dynamic capabilities. *Organization Science*, 13(3), 339–351. <https://doi.org/10.1287/orsc.13.3.339.2780>
- [18] Ip, C., Leung, R., & Law, R. (2011). Progress and development of information and communication technologies in hospitality. *International Journal of Contemporary Hospitality Management*, 23(4), 533–551. <https://doi.org/10.1108/09596111111130029>
- [19] Glancey, K. (1998). Determinants of growth and profitability in small entrepreneurial firms. *International Journal*, 4(1), 18–27.
- [20] Harel, G. H., & Tzafrir, S. S. (1999). The effect of human resource management practices on the perceptions of organizational and market performance of the firm. *Human Resource Management*, 38(3), 185–199. [https://doi.org/10.1002/\(SICI\)1099-050X\(199923\)38:3<185::AID-HRM2>3.0.CO;2-Y](https://doi.org/10.1002/(SICI)1099-050X(199923)38:3<185::AID-HRM2>3.0.CO;2-Y)
- [21] Sugiyono (2015). *Combination Research Methods (Mix Methods)*. Alfabeta, Bandung.

Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)

The authors equally contributed in the present research, at all stages from the formulation of the problem to the final findings and solution.

Sources of Funding for Research Presented in a Scientific Article or Scientific Article Itself

No funding was received for conducting this study.

Conflict of Interest

The authors have no conflict of interest to declare.

Creative Commons Attribution License 4.0 (Attribution 4.0 International, CC BY 4.0)

This article is published under the terms of the Creative Commons Attribution License 4.0 https://creativecommons.org/licenses/by/4.0/deed.en_US

Analysis of the Effect of Intellectual Capital, Organizational Culture, and Information and Communication Technology on the Performance of Hospitality Companies Mediated by Dynamic Capability Re-engin

ORIGINALITY REPORT

13%

SIMILARITY INDEX

17%

INTERNET SOURCES

7%

PUBLICATIONS

9%

STUDENT PAPERS

PRIMARY SOURCES

1

www.researchgate.net

Internet Source

13%

Exclude quotes On

Exclude matches < 2%

Exclude bibliography On