

## The Influence of Lean Adoption on Hotel Performance: A Study of Selected Hotels in Obio/Akpor Local Government Area, Rivers State

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### Abstract

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This study delves into the relationship between various factors such as customer participation, continuous improvement, and customer focus, and their impact on market share, sales growth, and customer satisfaction in hotels located in Rivers State. Employing a cross-sectional design, the research offers a snapshot of these connections at a specific moment in time. Data sourced from hotels officially registered with the Nigerian Hotel Association (NHA) is utilized due to the lack of a centralized database. The targeted population encompassed 750 and a sample size of 330 hotel managers from specific Local Government Areas (PHALGA and Obio Akpor). The study employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to explore the relationships between various independent factors and dependent variables affecting hotel performance. The findings of the study revealed that dimensions of lean adoption practices correlate with measures of hotel performance. Hence the study postulates a positive and significant relation between lean adoption and hotel performance. The study thus recommended that management staff of hotels should promote customer-centric lean practices. The study encourages hotels in Rivers State to actively involve customers in identifying and addressing their needs through feedback mechanisms, customer advisory boards, and co-creation workshops. Also, they are advised to build a culture of continuous improvement. This can be done by training staff on lean principles and tools, empowering them to identify and eliminate waste, and creating a system for celebrating and rewarding improvement initiatives.

**Keywords:** *Lean Adoption, Customer Focus, Customer Involvement, Continuous Improvement, Market Share, Sales Growth, Customer Satisfaction*

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## **Background of the Study**

Hotels grapple with the constant need to innovate and curate unique offerings to attract and retain guests. The service industry thrives on human interaction, presenting a significant challenge in ensuring consistent service excellence across departments and personnel (Rodrigues & Amaral, 2019). This complexity intensifies as hotels expand and diversify their workforce, incorporating staff from varied cultural backgrounds to enhance performance (O'Neill & Xiao, 2018). Declining guest satisfaction scores, negative online reviews, and dwindling repeat business paint a stark picture of the challenges surrounding customer preferences and service quality, which are indicators of non-financial performance (Ye et al., 2020), and these have led many hotels to look for alternative means to maximize while avoiding excessive expenses that come with achieving performance; hence, they embrace lean practices as they concern management.

Lean concepts have been found to minimize lead times, optimize resource usage, and increase overall operational efficiency in hotels, notably in housekeeping and food and beverage departments (Lashley & Lincoln, 2013; Mohanty et al., 2020). Additionally, symptoms like inefficient operations (Simonson & Rosen, 2014), high employee turnover (Pralhad & Ramaswamy, 2004), and shrinking profit margins (Enz, 2010) point towards difficulties related to competition and cost management. These challenges resonate across all levels, impacting luxury resorts and budget accommodations alike. The pervasive and multifaceted nature of these challenges demands proactive measures from hotels. Embracing innovative strategies, implementing continuous staff training, and adapting to evolving market trends are crucial steps toward overcoming these hurdles. Only by recognising the gravity of these challenges and actively working towards solutions can hotels ensure their success in the ever-competitive hospitality industry. In this context, this paper looks at the empirical link between lean adoption methods and hotel performance in the PHALGA and Obio Akpor Local Government Areas of Rivers State. It investigates several aspects of lean adoption techniques, including customer interaction (Walter & Chijindu, 2015), continuous improvement (Barinua & Sunday, 2022), and customer focus (Eugene et al., 1994).

## **Literature Review**

### **Lean Adoption Practices**

Lean adoption has emerged as a prominent approach to improving operational efficiency and guest satisfaction in hotels (Ivanov & Magnini, 2019). Stemming from Toyota's production system, lean focuses on eliminating waste, streamlining processes, and fostering continuous improvement. Lean translates into implementing strategies that optimize various aspects of hotels, such as housekeeping, front desk operations, and food and beverage services. For example, in housekeeping, lean can minimize room cleaning time, optimize staff allocation, and reduce excess inventory. Research indicates that lean practices can significantly boost staff engagement and guest happiness, ultimately improving overall performance (Lashley, 2017). Reducing waste is fundamental to lean implementation in hotels (Ivanov & Magnini, 2019). Lean principles promote identifying and eliminating non-value-added operations to increase efficiency and cut costs (Heras-Saizarbitoria et al., 2019). For instance, hotels can use just-in-time inventory management to prevent overstocking or understocking.

A culture of continuous improvement helps hotels stay competitive and adapt to changing consumer preferences and market trends (Ivanov & Magnini, 2019). In summary, lean offers several advantages for hotels, including reduced waste, increased operational effectiveness, improved guest happiness, and a culture of continuous improvement. To remain profitable and competitive, hotels must implement lean in a competitive environment (Rodrigues & Amaral, 2019). The popularity of lean implementation stems from the hotel industry's need to improve service quality, achieve customer satisfaction, and boost productivity while reducing costs. This can be achieved by improving continuously, providing avenues to engage customers to get feedback, and focusing on what matters to customers more (Lee et al., 2013; Roriz et al., 2017).

### **Continuous Improvement**

Organizations are increasingly facing pressure to improve their business operations due to rising customer expectations, intensifying competition, and globalization. In response, many organizations are turning to continuous improvement programmes, which involve the participation of managers and workers at all levels. These programmes can be a strategic tool for enhancing and sustaining competitiveness by leveraging the collective knowledge and expertise of the workforce to elevate the organisation's overall performance. Continuous improvement is a multifaceted concept that encompasses various practices and approaches implemented at different levels within an organization. While some challenges in implementing continuous improvement programmes stem from the organization's strategic position, others relate to more practical concerns such as a lack of well-defined processes or resistance to change. According to Wickramasinghe and Chathurani (2020), continuous improvement can be characterized as a strategic effort that organizations undertake to systematically innovate and implement new methods and approaches to production and work processes. This ongoing process of improvement is often driven by a culture that embraces a variety of improvement initiatives aimed at achieving success and reducing the likelihood of failure. Notably, continuous improvement is more than just getting better results; it also focuses on developing the ability to get even better results down the road. The fundamental idea of continuous development, as emphasized by Fellnhofer (2019), is consistency. Consistency guarantees consistent growth and cultivates a system that can be continuously analyzed and adjusted for more improvement.

### **Customer Involvement**

In an increasingly saturated global hospitality landscape, established players face an uphill battle against new brands vying for their market share (Ateke & Elvis, 2013). To secure their place, they must implement diverse strategies that prioritize customer retention above all else (Alrubaiee & Nahl, 2010). After all, satisfied customers are not just fleeting transactions but invaluable assets for recurring business and cross-selling opportunities (Gruen et al., 2000; DeWulf et al., 2001; Lemon et al., 2002; Weiner, 2001). This shift in focus demands a move away from one-off interactions and towards fostering genuine relationships. Enter customer involvement management (CIM), a strategic approach that encourages customers to actively engage with a brand throughout their journey (Pinegar, 2000).

CIM operates on a spectrum of involvement, with four key dimensions:

- i. Reporting: Customers provide feedback on existing products or services, offering valuable insights for improvement (Alam, 2006). This pre-creation input helps ensure product profitability and customer satisfaction (Afunwa et al., 2020; Fang et al., 2015).
- ii. Advising: Customers offer non-exclusive guidance during the commercialization stages, ensuring the product aligns with their needs (Pinegar, 2000).
- iii. Coaching: Customers provide feedback on potential technologies, offering limited involvement in shaping future offerings.
- iv. Partnering: Customers actively co-develop technology and its applications, demonstrating the highest level of involvement and shared ownership.

This spectrum empowers customers, fostering a win-win situation where both parties reap the benefits (Klioutch & Leker, 2011; Carbonell et al., 2009). By adopting CIM strategies, established hospitality brands can cultivate loyalty, differentiate themselves in a crowded market, and secure their future success.

### **Customer Focus**

In today's fiercely competitive service sector, particularly the hotel industry, merely providing good service is no longer enough. Excellence, exceeding expectations, and building long-term relationships with customers are non-negotiable for survival and growth. This article explores the critical role of customer focus in hotels and its impact on guest satisfaction, brand loyalty, and ultimately, business success. Exceptional service transcends fulfilling basic needs. It crafts memorable experiences that foster emotional connections with guests (Pine & Gilmore, 1999; Kandampully & Suh, 2000). Building strong relationships requires a deep understanding of guest needs, preferences, and expectations (Reichheld, 2001; Verhoef et al., 2003). Technology empowers this focus by enabling personalized service and real-time interaction (Gretzel et al., 2015; Buhalis & Foerste, 2020).

Investing in employee training and development is crucial for creating a customer-centric culture (Heskett et al., 2003). When exceeding guest expectations becomes their priority, hotels create exceptional experiences that drive higher satisfaction (Taylor & Baker, 2013). Satisfied guests become loyal brand advocates, generating positive reviews and recommendations (Reichheld, 2001; Kandampully & Suh, 2000). This customer-focused approach optimises existing resources. Studies reveal significant returns on investment for customer service initiatives. Higher guest satisfaction translates into increased revenue through higher rates, additional spending, and repeat business (Heskett et al., 2003; Bowen & Lawler, 1992). Positive online reviews and word-of-mouth recommendations further attract new guests, boosting profitability. Technology enables effective customer-focus strategies. Digital tools personalize experiences through guest preference tracking, real-time service feedback, and personalised communication (Buhalis & Foerste, 2020). Additionally, online platforms like review websites and social media provide valuable insights into guest feedback and expectations, enabling continuous improvement (Gretzel et al., 2015). A customer-centric culture starts with employees. Comprehensive training programmes equip staff with

the skills and knowledge to deliver exceptional service, emphasizing empathy, active listening, problem-solving, and anticipating guest needs (Heskett et al., 2003). Customer focus is not just a motto; it's the key to success in the hotel industry. By prioritizing guest satisfaction, building trust, and fostering a culture of service excellence, hotels can thrive in a competitive market and achieve sustainable growth. Embracing technology and empowering staff is essential for delivering memorable experiences and making lasting impressions, even amidst constant change.

### **Hotel Performance**

Organisations' constantly strive to fulfill their aspirations, and performance serves as a crucial indicator of their success. While goals evolve, so do the methods used to assess them. Traditionally, these methods fall into two broad categories: monetary and non-monetary. Several factors influence how organisations' approach performance management. Board composition, organisation' size, and dedication to desired outcomes all play a role, as Brumbach (1988) emphasizes. Yet, despite its importance, the concept of organizational performance remains multifaceted and resists a single definition, as noted by Odhiambo (2016). Lebens & Euske (2006) further highlight the need for both monetary and non-monetary indicators to provide a holistic view. Additionally, sound performance management theories necessitate understanding cause-and-effect relationships between various factors. Didier Noyé (2002) defines performance as achieving pre-defined goals within an established framework. However, he emphasizes comparing outcomes to specific objectives, not simply achieving some result. Critics like Whooley (1996) argue that Noyé's definition remains ambiguous due to varying outcomes and objectives across different fields. Whooley (1996) takes it a step further, suggesting that performance is a "socially constructed" reality, subjective and dependent on individual interpretations. He proposes a broader view, encompassing elements, outputs, outcomes, and impacts while considering factors like economy, efficiency, and equity. This subjective nature underscores the inherent complexity of the concept. Rolstadas (1998) throws down the gauntlet with a seven-point framework, encompassing effectiveness, efficiency, quality, and more. He argues these criteria, akin to performance goals, are crucial, but acknowledges their inherent ambiguity makes a singular definition elusive.

Neely (2002) steps in, championing the quantification of both efficiency and effectiveness. His approach embraces both qualitative and quantitative measures for clear communication. Building on this, Bernadin (1995) defines performance as "the sum of the effects of work," highlighting the importance of considering both effort (inputs) and results (outputs). Even if quantifying customer satisfaction or setting precise targets proves challenging, good performance ultimately boils down to aligning all efforts toward fulfilling both. Brumbach (1988) offers a broader perspective, equating organisational performance with the ability to achieve goals through effective management, strong governance, and dedicated effort. However, Odhiambo (2016) emphasizes the complexity inherent in this concept, noting the lack of a universally accepted definition. Further complicating matters, Bourguignon (2010) brings behaviours into the fold. She argues they are not mere tools for achieving results but outcomes themselves. Representing the physical and mental effort invested in tasks, they

warrant evaluation independent of the results. Thus, she defines performance as being intrinsically linked to both behaviours and outcomes. In essence, assessing individual and team performance demands consideration of both inputs (behaviours) and outputs (results). While Bourguignon's (2010) definition emphasizes goal attainment, the journey, as embodied by our behaviours, holds equal weight. Unraveling the complexities of performance necessitates navigating ambiguity, embracing multifaceted perspectives, and acknowledging the interplay between effort and outcome. Only then can we truly unlock the secrets to organizational success? In the competitive hospitality industry, two key metrics reign supreme: market share and sales growth. Each represents a distinct aspect of a hotel's success, demanding strategic maneuvering to achieve optimal results.

### **Market Share**

Market share, a key metric in the hospitality industry, quantifies a hotel's success in attracting guests compared to its competitors. It is often expressed as a percentage and reflects a hotel's competitive position within a specific market segment. In essence, market share reveals a hotel's relative popularity among customers (Kimes, 2018). Calculating market share involves comparing a hotel's performance metrics, such as occupancy rates or room revenue, to the overall performance of similar hotels in the same market. Understanding market share is crucial for hotels, as it serves as a barometer of their competitive standing and market positioning (Kimes, 2018). Typically, a higher market share correlates with greater revenue. Hotels with a larger market share can charge higher rates and benefit from economies of scale (Kimes, 2018). This is particularly crucial in the hospitality business, where success is dependent on occupancy rates and smart revenue management. Hoteliers may use market share statistics to make educated decisions regarding pricing, marketing, and growth plans, eventually seeking to increase market share and income (Kimes, 2018). Hotels with a larger market share can charge higher rates and benefit from economies of scale (Kimes, 2018). This is particularly crucial in the hospitality business, where success is dependent on occupancy rates and smart revenue management. Hoteliers may use market share statistics to make educated decisions regarding pricing, marketing, and growth plans, eventually seeking to increase market share and income (Kimes, 2018).

Furthermore, Kim and Lee (2020) investigated the relationship between market share and hotel expansion strategies, discovering that market share has a direct impact on a hotel's capacity to effectively expand into new areas (Kim & Lee, 2020). Collectively, these studies highlight the long-term importance of market share as a key statistic for judging hotel performance, as well as its essential position in the hospitality business. To earn a substantial market share, hotel management is increasingly employing techniques to create a competitive edge (Kimes 2018). Improving the client experience is a major approach to gaining market share in the hotel business (Kim and Gu, 2019).

### **Sales Growth**

While business growth can be seen as improving performance metrics, various definitions exist. Brush et al. (2009) emphasize expansion (geographical, branches, markets), while Brush et al. (2009) highlight product/service diversification, mergers, and acquisitions.

Increased demand leads to sales growth, triggering investment in production capacity (Janssen, 2009). Market structure and innovation play a significant role, with smaller, innovative firms potentially outpacing larger ones (Daunfeldt & Elert, 2013). Teruel-Carrizosa (2010) notes service firms' growth potential, particularly within specific market structures. While service firms require lower investment, their market exit rate is higher (Daunfeldt & Elert, 2013). Sales growth represents a revenue increase over a period, driven by price hikes, higher sales volume, or both. Price-driven growth due to inflation doesn't reflect real sales growth, but lower costs contribute to its genuineness. Increased product sales due to expansion, new branches, or diversification also contribute to growth. Within the hotel industry, sales growth is crucial for success, reflecting customer attraction, revenue generation, and competitiveness (Johnson, 2019). It fuels investment in infrastructure, staff, and service quality, further attracting guests.

Location, brand reputation, pricing, customer service, and marketing efforts all influence sales growth (Smith, 2020). Prime locations attract guests, while strong brands command higher rates and loyalty. However, the industry faces challenges such as economic downturns, natural disasters (e.g., COVID-19), and alternative accommodation providers like Airbnb. Hotels employ various strategies to drive sales growth, including service diversification, which entails offering new experiences and amenities; technological adoption, which involves online booking, personalized marketing, and revenue management systems; sustainability, which is attracting environmentally conscious guests; and customer experience focus, which is enhancing guest satisfaction and loyalty. As Smith (2020) argues, sales growth's importance is undeniable, allowing hotels to reinvest and improve. Location plays a key role, as Johnson (2019) highlights. The industry's challenges are well-documented, with the COVID-19 pandemic severely impacting sales (Brown, 2021). As Clark (2018) suggests, technology adoption and sustainability are crucial strategies for current market success.

### **Customer Satisfaction**

Customer satisfaction is a difficult issue that experts have examined for many years. It is commonly described as a customer's attitude or evaluation after utilizing a product or service (Oliver, 1980). This review is based on a comparison between the customer's pre-purchase expectations and their experience. Customers are more likely to be happy when a product or service meets or exceeds their expectations. However, if it falls short of their expectations, they will be disappointed. Customer happiness may be influenced by a variety of factors, including product and service quality, pricing, and the customer's entire experience with the firm. Companies that seek to enhance customer happiness should consider all of these elements. They should strive to provide high-quality products and services at a fair price, and they should create a positive customer experience from start to finish. In addition to the factors mentioned above, customer satisfaction can also be influenced by the customer's individual needs and preferences. For example, a customer who is looking for a basic, no-frills product may be more satisfied with a lower-priced option, even if it does not have all the features of a more expensive product. Purchasers who seek high-quality products with all the comforts of home may be willing to spend more, even if doing so means giving up certain

comforts. To sum up, customer satisfaction is a personal experience. Something that pleases one customer may not please another. Given this, businesses may take steps to improve their offerings, services, and customers' overall experience by understanding the factors that affect their level of satisfaction.

## **Theoretical Underpinning**

### **Schumpeterian Theory**

The ever-evolving hospitality landscape demands constant adaptation, a principle championed by Joseph Schumpeter's 1934 hypothesis. His theory forms the bedrock of our study, illuminating the dynamic nature of markets and economies. Schumpeter argued that equilibrium is fleeting, constantly disrupted by innovation and evolving needs. Investors, he posited, play a crucial role in driving this change. Through continuous experimentation with new combinations of production factors, they fuel innovation. This relentless pursuit leads to radical, discontinuous shifts—the very engines of economic progress (Schumpeter, 1934). According to Schumpeter, for businesses, devising novel approaches translates to profit and growth. These changes encompass not just entirely new products but also embrace new technologies, models, and seamless integration for holistic service delivery. Innovation, then, becomes a cornerstone of business success (Anning-Doson, 2017). However, Schumpeter's theory isn't without its critiques. Some argue it downplays the significance of new ideas and methodologies, overemphasizing investment as the sole driver of success. Others caution that an excessive focus on investment might obscure deeper economic dynamics. Additionally, concerns have been raised about the theory's potential to perpetuate neocolonialism (Schumpeter, 1934).

Despite these criticisms, Schumpeter's insights remain highly relevant to our study of process improvement in the hotel industry. His emphasis on transitioning from traditional output management resonates with the need for substantial process shifts and innovative reorganization within hospitality (Schumpeter, 1934). The theory advocates for systemic realignment and embracing customer-centricity, fostering adaptability and responsiveness to ever-shifting market demands. This aligns perfectly with our exploration of lean adoption practices, ultimately offering valuable guidance on how hotels can leverage dynamic adaptation and innovation to enhance their performance.

## **Empirical Review**

### **Customer Involvement and Market Share**

Walter and Chijindu (2015) looked at the relationship between customer involvement management (CIM) and marketing success in the manufacturing business. The research used customer happiness, new product success rate, market share, and return on investment (ROI) as criteria to assess marketing performance. Data from 87 executives from various departments at 34 manufacturing enterprises registered with the Rivers State branch of the Manufacturing Association of Nigeria (MAN) were evaluated using descriptive statistics and Spearman's rank-order correlation. The study discovered a favourable and statistically significant relationship between CIM and all marketing performance variables. It determined that CIM is a realistic technique for increasing marketing effectiveness and recommended its



implementation as a long-term corporate strategy. Carbonell et al. (2009) explored the causes and consequences of user participation in new service development. They conducted a study of 807 Spanish service enterprises with 75 or more workers and discovered that customer participation had a favorable direct influence on technical quality and innovation speed, as well as an indirect effect on competitive superiority and sales effectiveness via both technical quality and innovation. They also discovered that technological novelty and turbulence have a positive effect on customer involvement, but there is no moderating effect from the development stage.

### **Customer Involvement and Sales Growth**

In Sweden, Eugene et al. (1994) looked at the relationship between profitability, market share, and customer happiness. To find a positive link between satisfaction and market share, they used secondary data (the National Customer Satisfaction Index) and performed correlation and regression analysis. Their results provide credence to the idea that increases in quality result in increased customer satisfaction and, in turn, increased profitability. Dimitrios (2021) studied the Greek mobile business, specifically the relationship between customer happiness and market share. Their research of 500 mobile users, which included questionnaires, multi-criteria analysis, and regression approaches, demonstrated a positive association between satisfaction and market share, showing that organizations with better satisfaction had bigger market shares. Al-Otaibi (2017) investigated the interactions within the Saudi retail banking market. The study, which surveyed 400 consumers and used correlation and regression analysis, revealed that there is a positive link between satisfaction and market share, indicating that customer satisfaction is a key predictor of market share. Devinney and Yasin (1995) used a meta-analysis of 81 studies to determine the relationship between customer focus and organizational success. Their studies demonstrated a strong correlation between customer focus and market share, especially in competitive marketplaces. Michael (1998) examined the previous empirical literature (47 research studies) on the customer focus-firm performance link. The findings consistently showed a beneficial impact of customer attention on market share.

### **Customer Involvement and Customer Satisfaction**

In the European banking sector, Geebren (2019) looked at the connection between financial performance and customer engagement. Over ten years, they gathered information from the annual reports and financial statements of twenty of the top European banks. Based on the volume of customer contacts and feedback channels, consumer engagement was evaluated. A time-series analysis was performed on the data to look for patterns and variations. Furthermore, correlation analysis was employed to investigate the connection between performance indicators and customer participation measurements. The study discovered a favorable relationship between financial performance and consumer involvement. Higher customer involvement levels resulted in more pleased consumers, which enhanced the financial performance of the banks.

Li et al (2019) conducted a study on the impacts of customer involvement on the relationship between relationship quality and performance. The paper aimed to determine whether

relationship quality should be measured as a dis-aggregated or as a composite construct, and investigate the causal relationship between relationship quality and customer involvement. The authors also explore the role of customer involvement in relationship quality-performance linkage in B2B settings. The study was based on 214 Chinese manufacturers and used the structural equation model to examine this conceptual model and hypotheses. As a reflective second-order construct, relationship quality not only has positive effects on performance but also positively affects customer involvement. More importantly, customer involvement partially mediates the relationship between relationship quality and performance

### **Continuous improvement and market share**

Barinua and Sunday (2022) carried out theoretical research on continual development and competitive advantage. Continuous improvement is a quality concept that stresses the value of continuous improvement and process optimization. The study's primary goal was to investigate the link between continuous improvement strategies and efficiency. Eliminating waste across whole value streams, rather than just at isolated points, promotes procedures that use less human effort, space, money, and time to create products and services at far lower prices and with far fewer flaws than typical corporate systems. This continuous improvement method helps firms "do more with less" by successfully teaching staff, allowing them to offer exactly what consumers want at the correct time and place, exceeding their value expectations. This study looks at the link between continual improvement and competitive advantage. Joshua and Umoh (2022) investigated the relationship between continuous improvement and operational performance in manufacturing enterprises, specifically in Rivers State, Nigeria. Their research saw continuous improvement as a single component and operational success as a mix of quality and cost. An organizational culture moderator was introduced to determine its impact on the link between continuous improvement and operational performance. Employing a cross-sectional survey design, primary data was collected through structured questionnaires administered to 72 respondents from a population of 13 manufacturing firms. Three research objectives, with corresponding questions and hypotheses, were formulated. Descriptive statistics were evaluated using percentages and charts in SPSS, and the anticipated correlations were tested using partial least squares structural equation modeling in ADANCO. The investigations found a statistically significant and favorable relationship between continuous improvement and both quality and cost, proving its capacity to improve operational performance in manufacturing organizations.

### **Continuous Improvement and Sales Growth**

Wanyoike et al. (2012) studied the influence of continuous improvement activities on sales growth in a five-year longitudinal study of 50 medium-sized manufacturing enterprises in the United States. Data on continuous improvement strategies and their impact on sales growth were gathered through surveys, interviews, and financial reports. Their research found a significant positive association between applied continuous improvement strategies and long-term revenue growth when compared to organizations with few or no such programmes. Ulaga (2014) explored the link between continuous improvement and sales

growth within the retail sector, across both the United States and Japan. Utilizing a mixed-methods approach, the study combined quantitative data analysis with in-depth interviews with retail managers. Sales growth data was gathered from annual reports, while continuous improvement practices were assessed through surveys. The study's findings point to regional variances in the influence of continual improvement on sales growth. There was a considerable positive association in the United States, while the link was less evident in Japan. While continuous improvement techniques like Kaizen are commonly used, their effect on sales growth varies.

### **Continuous Improvement and Customer Satisfaction**

Several studies have explored the link between continuous improvement practices and customer satisfaction. Nganga and Nyaga (2022) examined this connection in large Kenyan manufacturing companies (the case study of Nairobi Bottlers Limited). Their descriptive research involved 190 employees (stratified random sampling) who were surveyed through questionnaires. Quantitative and qualitative data analysis revealed a positive association between evidence-based decision-making, customer focus, process approach, employee engagement, and organisational success. The study suggests these variables impact non-financial performance indicators like customer satisfaction, loyalty, retention, and advocacy. Similarly, Mjongwana & Kamala (2018) investigated non-financial performance measurement (NFPMs) in Cape Town's hotel industry SMEs. Their questionnaire survey of 100 hotel owners and managers found all participants utilized NFPMs, with customer-oriented measures being the most common while learning and innovation measures were the least used. Further evidence comes from Muhammad et al. (2019). In Pakistani hospitals using various quality management systems (JCI or ISO 9001), their study evaluated the effects of Total Quality Management (TQM) practices on performance measures. After surveying 150 hospital administrators, they concluded that TQM procedures and patient satisfaction, a measure of hospital performance, had a statistically significant and favorable association.

### **Customer Focus and Market Share**

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### **Customer Focus and Sales Growth**

Adewale (2016, 2022) explored how customer attention affects sales growth and profitability in the Nigerian food and beverage industries. The study found a small but favourable link between customer attention and company performance after analysing data from 200 organisations (67% response rate) using descriptive statistics, correlation analysis, and regression. Moderating variables, such as government regulations, new product creation, and innovation, were discovered to influence this connection. Clark (2018, 2022) studied the influence of customer attention on performance in Ghanaian SMEs using a resource-based approach. Using data from 255 SMEs (survey questionnaires and structural equation modeling), their study found that customer focus has a substantial beneficial influence on many performance aspects such as financial performance, customer performance, internal processes, and learning and growth. Furthermore, several factors that determine customer focus—like co-creation, relationships with networks, customer insights, and AI marketing—were shown to be essential for maximising SME success. Numerous studies have looked at the connection between organisational effectiveness and customer focus.

Ye et al. (2020) focused on the mediating function of customer interaction practices, production performance, and customer satisfaction while examining this connection within the framework of an Indonesian information and communication technology (ICT) organisation. Their findings suggest that a customer orientation strategy can lead to improved financial performance through enhanced customer relationships, production efficiency, and customer satisfaction.

### **Customer Focus and Customer Satisfaction**

Brown and Robinson (2023) studied the impact of customer attention on staff engagement and customer satisfaction in the hotel business. They looked at how staff engagement mediated the link between customer focus and customer pleasure. Their studies revealed that customer-focused procedures result in improved staff engagement, which improves customer satisfaction. They also discovered that staff engagement serves as a link between customer focus and customer satisfaction. This implies that investing in staff engagement is critical for converting customer focus into increased customer satisfaction in the hospitality business. Digitalization of customer focus Li (2018) examined the impact of technology on customer focus and customer satisfaction. He found that technology adoption can improve customer focus by enabling personalised interactions, efficient service delivery, and real-time feedback mechanisms. Additionally, he discovered that better use of technology increases client loyalty and happiness. These results imply that companies may leverage technology to enhance customer attention, which will increase customer happiness and loyalty. The moderating effect of client demands. Anderson et al. (1994) explored how consumer

expectations influenced the link between customer focus and customer satisfaction. They discovered that customer attention has a greater influence on customer satisfaction when consumer expectations are low. However, when consumer expectations are high, exceeding them via outstanding customer service becomes critical to obtaining satisfaction. These findings show that organizations should modify their customer-focused tactics to meet their consumers' expectations.

### **Methodology**

This study examines the relationships between factors like customer participation and continuous improvement and outcomes such as market share, sales growth, and customer satisfaction in Rivers State hotels. It employs a cross-sectional design, offering a snapshot of these connections at a specific point in time. To overcome the lack of a centralised database, the researcher utilises data from hotels officially registered with the Nigerian Hotel Association (NHA). The targeted population includes 395 hotel managers from specific local government areas (PHALGA and Obio Akpor). Before analysing the primary research objectives, the data underwent thorough screening for missing values, outliers, normality, and multicollinearity using specialised software. These steps ensure the data's integrity and validity for accurate analysis. This study utilises Partial Least Squares Structural Equation Modelling (PLS-SEM) to examine the relationships between multiple independent factors and dependent variables in hotel performance. Combining features of principal component analysis and multiple regression, PLS-SEM is well-suited for complex modeling in the social and management sciences (e.g., Hair et al., 2014; Mateos-Aparicio, 2011). Additionally, it prioritises prediction over strict causal interpretations (Sarstedt et al., 2017). The analysis follows two main stages: Measurement model assessment, which included indicator loadings and strong loadings ( $>0.7$ ), indicates good construct representation by individual indicators (Hair et al., 2017). Higher values (0.7–0.9) imply better internal consistency and reliability. Values exceeding 0.95 may suggest redundancy or response bias. Average Variance Extracted (AVE): Scores above 0.5 demonstrate acceptable convergent validity, meaning constructs measure what they're intended to. The second is the structural model evaluation, which analyses the path coefficients, and assesses the strength and direction of relationships between variables. Significance and size are considered. R-squared values, which indicate the explanatory power of the model for each dependent variable, and goodness-of-fit indicators, which measure things like the standardised root mean square residual (SRMR) and the Normed Fit Index (NFI), provide an overall model fit assessment. These criteria ensure the robustness and interpretability of the model's findings.

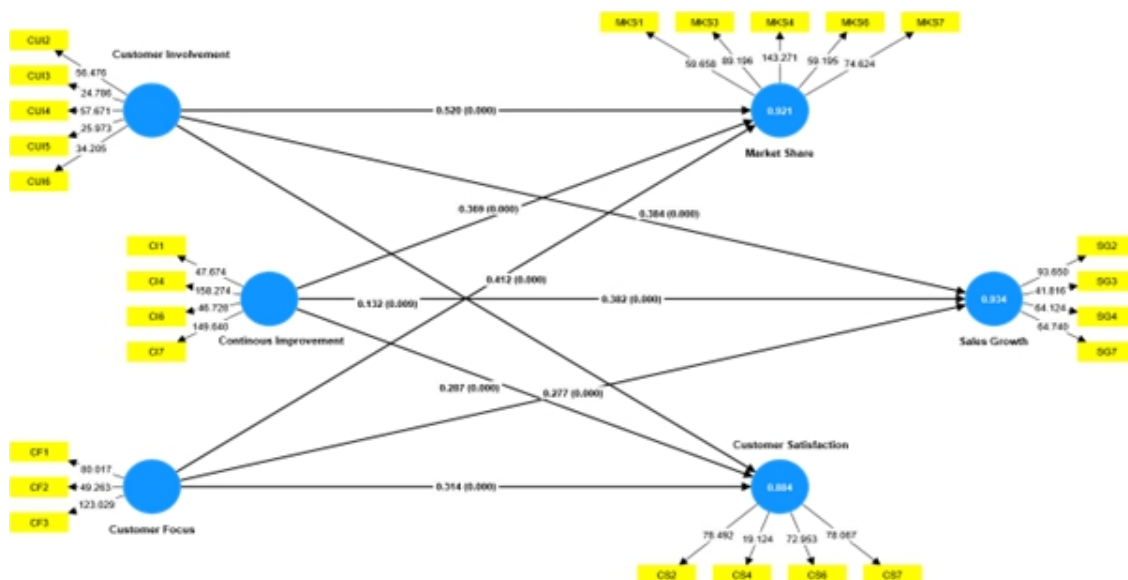
### **Results and Discussion of Findings**

Path Analysis Result of The Direct Hypothesis Testing of Lean adoption practices and Hotel Performance

**Table 1.**

S/N	Hypothesized Path	Path Coefficient ( $\beta$ )	P-Value	Standard Error	T Value	Decisions	f-Squared	Effect size
1.	CI -> CS	0.209	0.000	0.056	3.987	Not Supported	7.002	Large
2.	CI -> MS	0.316	0.023	0.052	7.084	Not Supported	1.951	Large
3.	CI -> SG	0.347	0.000	0.051	8.295	Not Supported	3.042	Large
4.	CF-> CS	0.322	0.015	0.059	3.997	Not Supported	3.001	Large
5.	CF-> MS	0.149	0.000	0.048	2.424	Not Supported	1.817	Large
6.	CF-> SG	0.309	0.009	0.048	5.494	Not Supported	2.479	Large
7.	CI-> CS	0.256	0.010	0.019	2.610	Not Supported	9.887	Large
8.	CI-> MS	0.333	0.000	0.113	2.052	Not Supported	11.051	Large
9.	CI-> SG	0.306	0.004	0.099	3.977	Not Supported	6.332	Large

**Figure 1.**



**Source:** The Researcher's Computation (2023).

The path analysis revealed significant positive relationships between various lean adoption practices and hotel performance measures in Rivers State (Table 1). Customer involvement (CUI) exhibited a positive association with all three performance indicators: market share (MS) ( $p < 0.05$ , T-value = 7.084), sales growth (SG) ( $p < 0.001$ , T-value = 8.295), and customer satisfaction (CS) ( $p < 0.015$ , T-value = 8.997), indicating the rejection of the null hypothesis in all instances. Similarly, continuous improvement (CI) demonstrated a positive influence on MS ( $p < 0.001$ , T-value = 2.052), SG ( $p < 0.005$ , T-value = 3.977), and CS ( $p < 0.001$ , T-value = 2.610), further supported by the rejection of the null hypotheses. Finally, customer focus (CF) displayed a statistically significant positive relationship with MS ( $p < 0.001$ , T-value = 2.424), once again rejecting the null hypothesis. The eighth path revealed

that, with  $P0.004 < 0.05$  and  $T\text{-Value } 3.977 > 1.96$ , there is a positive correlation between customer focus (CF) and sales growth (SG) of hotels in Rivers State. The null hypothesis was therefore disproved. With a  $T\text{-value of } 3.977 > 1.96$  and a  $P0.004 < 0.05$ , the ninth route demonstrated a positive correlation between the customer focus (CF) and customer satisfaction (CS) of hotels in Rivers State. The null hypothesis was therefore disproved.

Furthermore, the high-value  $R^2$  of 0.86, 0.875, and 0.920 recorded for customer involvement, continuous improvement, and customer focus respectively showed that lean adoption practices are a strong predictor of hotel performance and in fact could predict hotel market share, sales growth, and customer satisfaction to the magnitude of 86%, 87% and 92% & respectively.

### **Conclusion and Recommendations**

When the study's results are examined under the prism of Schumpeterian theory, a convincing story about the potential of lean principles to spur innovation and competition in Rivers State's hotel sector emerges. According to Schumpeter, innovation drives economic development rather than merely static efficiency. This idea is supported by the high positive correlations seen in Rivers State hotel market share, sales growth, and customer satisfaction with lean techniques (customer participation, continuous improvement, and customer focus), and on this premise, the study recommended that management staff of hotels should promote customer-centric lean practices. The study encourages hotels in Rivers State to actively involve customers in identifying and addressing their needs through feedback mechanisms, customer advisory boards, and co-creation workshops.

Also, they are advised to build a culture of continuous improvement. This can be done by training staff on lean principles and tools, empowering them to identify and eliminate waste, and creating a system for celebrating and rewarding improvement initiatives.

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