

ENTREPRENEURIAL ORIENTATION AND COST PRACTICE IN THE BRAZILIAN SOUTH HOTEL CHAIN

Orientação empreendedora e prática de custos na rede hoteleira do Sul brasileiro

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Abstract

This study aims to assess the relationship between entrepreneurial guidance and cost practices in hotels. The material to carry out descriptive and relational research with a quantitative approach was a self-administered questionnaire answered by hotel managers in 16 cities in the South region of Brazil. The data collected were analyzed using ANOVA and Spearman's correlation analysis. The results of this study showed that hotels that adopt the activity-based costing method and form the price considering market values are the ones that have the highest entrepreneurial orientation, respectively. Among the practical implications, the results can assist in management decision-making. At the same time, when working with the formation of the daily rate, it is found that the hotels that carry out pricing based on market values are the ones that have the best cost practices. The study has originality, as it demonstrates a conservative attitude in hotels regarding risk-taking.

Keywords: Entrepreneurial orientation. Costs. Hotel chain.

Resumo

Este estudo teve como objetivo avaliar a relação entre orientação empreendedora e prática de custos em hotéis. O material para realizar a pesquisa descritiva e relacional com abordagem quantitativa foi obtido por meio de um questionário de autopreenchimento que foi respondido pelos gestores de hotéis de 16 cidades da região Sul do Brasil. Os dados obtidos foram analisados empregando a ANOVA e análise de correlação de Spearman. Os resultados deste estudo evidenciaram que os hotéis que adotam o método de custeio baseado em atividades e formam o preço considerando os valores de mercado são os que possuem respectivamente maior orientação empreendedora. Entre as implicações práticas, acredita-se que os resultados podem auxiliar na tomada de decisões de gestão. Paralelamente, ao trabalhar com a formação do preço da diária, constata-se que os hotéis que realizam a precificação baseada nos valores de mercado são os que têm melhores práticas de custos. O estudo apresenta originalidade, pois demonstra uma atitude conservadora dos hotéis, no que se refere à assunção de riscos.

Palavras-chave: Orientação empreendedora. Custos. Rede hoteleira.

1 INTRODUCTION

Interest in the topic of entrepreneurship is mainly associated with the fact that this construct is considered a vital development practice (Fischer, Nodari, & Feger, 2008). Entrepreneurial orientation can be considered a construct of the strategic management of hotel companies. It is a concept that has emerged in the organizational context to investigate entrepreneurial spirit in companies and how this influences strategic processes and performance (Rauch, Wiklund, Lumpkin, & Frese, 2009). Thus, several studies have been directed to research its relation with competitive advantages and performance improvement. To Almuhrzi and Al-Azri (2019), for tourism business to be sustainable, it is necessary to take into account, in addition to social and environmental issues, economic aspects as well.

Cost management is an essential tool for decision making in companies. The effects of their decisions will be perceived both now and in the long term in choosing the alternative

that provides the most competitive advantage. This point has supported by Bruni and Famá (2004), which state that the decisions and their subsequent effects are the basis for the cost analysis. The generation of information, its practical use, and the provision of subsidies throughout the business management process are of great importance. The best price will attract and retain customers, and the establishment will know if it is making profits or embittering losses (Leitão & Silva, 2006). In the hotel business, Castillo and Quintero (2013) point out that revenue maximization favours effective management between demand management and billing. According to the authors, it involves the marketing tools selection, which is fundamental for analyzing the market, the competition, and developing prices and tariffs for each segment.

It is also noteworthy that among the most studied themes in the strategic administration scope is the organizational performance and that in its analysis, several approaches. Among them, there is the entrepreneurial orientation that firms manifest, as it refers to the strategic processes that allow organizations to have a basis for defining their decision making (Lumpkin, Cogliser, & Schneider, 2009). Therefore, in the debates on strategy, organization theory, and entrepreneurship, it appears that organizational performance and business sustainability suffer positive influence by the ability to undertake, innovate, and manage costs.

In the current Brazilian organizational context, business-changing environment has required managers to act proactively in identifying opportunities and threats to obtain information and formulate assist strategies in the process decision making. To compete in such an environment, taking an entrepreneurial approach to strategy making becomes an essential factor for business success (Dess, Lumpkin, & Covin, 1997). It is an entrepreneurial posture (Covin & Slevin, 1989) and entrepreneurial orientation (Lumpkin & Dess, 1996; Miller, 1983).

Cost management allows better visualization of expenses by identifying the activities involved in the services rendering, exerting an effective control action. In this scenario, Hansen and Mowen (2001) report that increased competition has made managers in this sector more aware of using accounting information for planning, control, and decision-making.

With a constant increase in competition, due to the internationalization of markets, the business environment today has led to the adoption of entrepreneurial actions in the definition of business strategies, becoming an essential factor for the success of firms (Dess et al., 1997). Thus, it is necessary to act proactively in identifying opportunities and threats, making innovations, whether in products or services, assuming inherent risks and develop growth management. Together with these essential characteristics, depending on the circumstances and organization type, it is possible to identify other practices and activities, including autonomous actions or aggressive attitudes towards competitors (Hughes & Morgan, 2007; Lumpkin & Dess, 1996).

However, it is necessary to know how costing methods and pricing mechanisms relate to the entities entrepreneurial strategies. Undoubtedly, to compete in the present environmental brazilian context, efficient cost management remains crucial. The are a complex nature of the relationship between the Brazilian Government, its people and organizations to address their national development needs (Sparkman, 2015).

However, in taking an entrepreneurial orientation, planning analysis, and strategy definition should include proactive actions and their inherent risks. Entrepreneurial orientation (EO) is associated with the positive organization performance (Covin & Slevin, 1991; Martens, Lacerda, Belfort, & Freitas, 2016; Rauch et al., 2009). Studies show that enterprises with higher EO achieve better results (Gupta & Dutta, 2016; Kraus, Halbertstadt, Niemand, Shaw, & Syrja, 2017), which highlights the importance of studies on this topic especially in hotels (Fu, Okumus, Wu, & Köseoglu, 2019).

Recently, some research on Brazilian hotel management is on. Among them, the study by Nascimento, Vieira, and Santos (2017) investigate, from the opinion of managers and guests, the relationship between managerial practice in the commercial hospitality and the competitive differential of hotel services at the strategic level of management. The authors concluded that the correlation between the opinion of managers and guests is not significant at the level of strategic management. On the other hand, the comparison between the means of commercial accommodation revealed that ample accommodations have better performance indexes concerning small and medium-sized ones (Nascimento et al., 2017). Arani and Shafiizadeh (2019) presented the effect of familiarity and brand recognition on the hotel's reputation and performance. Gosling, Fortes, Lopes, Gosling, and Meira (2020) demonstrated the influence of the convenience and usefulness of hotel booking sites, influencing the purchase decision of customers. Specific performance research issues emerged in the country. In this study, we chose to investigate the dimension of the perception of the cost practice.

In this context, the question that guides the present research arises: What relationships verified between the entrepreneurial orientation that the hotels have and their organizational performance taking into account the cost management they carry out? In an attempt to answer this, the general objective was to evaluate the relationship between entrepreneurial orientation and performance, considering how hotels carry out cost management and the practice of hotel costs. The following specific aims to analyze this association between constructs were: to measure entrepreneurial orientation based on Covin and Slevin's (1989) proposal; measure performance and cost practices through the perception of managers in comparison to the nearest competitors; and, assess whether cost management influences the relationship between constructs or individually.

The present study sought to obtain new empirical evidence on the relationships between the mentioned constructs. Its accomplishment, besides original for the research

focus organizations, has practical relevance for the operation hotels improvement. On the other hand, the propositions of theoretical articulations, still little worked in empirical studies of the Brazilian reality justify the academic interest.

2 ENTREPRENEURIAL ORIENTATION

Entrepreneurial orientation (EO) has emerged as an essential concept for researching spirit entrepreneurial in organizations, as well as its influence on strategic and performance processes (Rauch et al., 2009). It was a particular quality of the owner or manager, that is, someone who, through the implementation of corporate actions, challenged environmental uncertainties. However, for Miller (1983), entrepreneurial orientation should be interpreted as a company characteristic, going beyond the performance of a single individual.

Studies on EO began with Miller (1983). Its initial proposition has three dimensions. The (1) innovativeness reflect an organization's tendency to support new ideas, experiments, novelties, and creative processes that may result in new processes, products, or services (Lumpkin & Dess, 1996). The (2) proactivity relates to a future perspective through which companies seek to anticipate opportunities and introduce new services or market products to gain a competitive advantage (Miller, 1983). Also, (3) risk-taking is a dimension that, according to Venkatraman (1989), reflects the risk degree in resource allocation decisions, as well as in the choice of products and markets.

From Miller's pioneering study, Lumpkin and Dess (1996) proposed two more dimensions for EO: aggressiveness and autonomy. The first manifests itself when seeking to achieve more significant market share at all costs (Venkatraman, 1989) and also reveals itself as a response to threats in the business environment (Lumpkin & Dess, 2001). The autonomy is when the entrepreneur must make decisions about the resources use, setting goals, choosing action strategies, or looking for relevant opportunities, among other actions (Lumpkin et al., 2009).

Lumpkin and Dess (1996) identified that there was a superficial tendency to assume entrepreneurial orientation as essential and positive for organizational performance. These authors comment that there are differences in entrepreneurship between one organization and another. It may be due to the combination of several factors: individual, organizational, and environmental. This last variable could moderate or mediate the relationship of EO with performance. However, regardless of how it affects the environment, several studies have shown a positive correlation between these constructs (Covin & Slevin, 1991; Fernandes & Santos, 2008; Lumpkin & Dess, 1996; Runyan, Droge, & Swinney, 2008; Wiklund & Shepherd, 2005; Zahra, 1993).

According to the studies by Fernandes and Santos (2008), EO has a high impact on business performance. Their effects are more significant than market orientation, which influence the success of innovations more (Fernandes & Santos, 2008). Entrepreneurial orientation and market orientation complement each other, and their effects bring results to business actions.

EO is positively associated with growth, has a positive impact on financial performance measures, and can cooperate with the ability to discover new opportunities by facilitating the competitive advantage (Martens & Freitas, 2010; Wiklund & Shepherd, 2003).

The research by Lazzarotti, Silveira, Carvalho, Rossetto, and Sychoski (2015) analyzed entrepreneurial orientation in its dimensions—Innovative behaviour, risk-taking, proactivity, autonomy, competitive aggression and relationship networks—and its association with the graduated companies performance of Brazilian incubators. The findings showed that the dimension that contributed most strongly to the existence of the EO was autonomy. So that the networks of relationships, an aspect not mentioned before by previous studies, collaborated in a similar way to the other dimensions for the EO composition.

Oro and Lavarda (2017), in turn, studied how the interaction between business strategy and organizational performance occurs in family businesses. The results indicate that entrepreneurial orientation and family influence play an essential role in achieving structural and strategic adjustment and, in turn, in making organizational performance.

3 COSTS MANAGEMENT

Cost management is becoming crucial in companies due to the intense competition in most markets today. It makes it difficult for the organization to set its selling prices and therefore follows the price set by the market. Cost management allows a more realistic view to manage them, making it possible to compete in highly competitive markets (Koliver, 2009). Some tools are essential for this purpose, including costing methods, which allow the correct allocation of costs incurred by the company.

In the case of the services, it becomes difficult to measure their importance, as well as to assign values. For Perez, Oliveira, and Costa (2005) the provision of the service almost always involves intangible aspects, unlike the physical production of a given material or tangible product. This information is essential for planning future actions, as well as communicating to managers the economic and financial data of the institution. In this scenario, Hansen and Mowen (2001) contribute by reporting that quality cost measurement and reporting are critical features of cost management systems for both the manufacturing and service sectors. With the analysis, managers can control costs to determine the company's profitability. Control is indispensable. Lunkes (2009) emphasizes that hotels that understand the need to

create value have as a significant challenge finding ways to operationalize new management methods, such as those related to costs.

Hansen and Mowen (2001) describe that managers should be able to track the costs of services rendered as precisely as they should follow the costs of manufactured goods. Institutions that prioritize time, the quality will be adding value to the product and thus achieving competitive advantage over their competitors. Accordingly, they emphasize that to ensure and maintain a competitive advantage, and managers emphasize time, quality, and efficiency (Hansen & Mowen, 2001).

Pricing was one of the first tools created by cost theory, demonstrating its fundamental role. Since before its existence, it was impossible to calculate the product or service cost, an element considered essential to forming the price or selling value of a product. Nowadays, the reality of companies regarding price formation has changed, as the globalized market also forces companies to adapt their prices to what is practised by their competitors. Price formation is an important variable to consider because if not properly managed, pricing can invalidate a company's competitive advantage (Leite, Lamas, & Nóbrega, 2019).

Still, there is another current that believes that price is a function of the value perceived by the consumer instead of being related to the production cost (Beulke & Bertó, 2001). Complementarily Viana, Gomes, and Souza (2011) describe that the selling prices defined by the entities suggest the strategy and the desired purpose by it. These include sustaining the firm market position, increasing the firm market share in a particular market segment, becoming competitive, or trying to survive. Given this, awareness about the cost of performing a service has not lost value but has changed the view on it. At the current juncture, costs become a price floor and a decisive element for evaluating the products, goods, and services performance (Beulke & Bertó, 2001).

Bruni and Famá (2004) cite some of the main objectives when using pricing methodologies: to provide the highest possible profit in the long run; maximize market share profitably; maximize production capacity to reduce idleness and operating expenses and maximize the return on capital employed to perpetuate the business in a self-sustaining manner.

Lunkes (2009) investigated the cost information existence in hotel companies in the city of Florianópolis, Santa Catarina, Brazil. The results show that 40% of hotels use some costing system. The study by Santos and Flores (2017) analyzed pricing strategies in the lodging facilities in São Luís, Maranhão, Brazil. The results show that the hotels use price management tools, price management support, strategies recommended by legislation, calculating the night with professionalizing methods, and, market research.

4 ORGANIZATIONAL PERFORMANCE

Performance appraisal serves to control a strategy defined by the organization, confronting its result with the established objectives. In this light, Neely, Gregory and Platts (2005) see it as a process of quantifying the efficiency and effectiveness of business actions. For Igarashi, Ensslin, Ensslin, and Paladini (2008) it is through performance analysis that organizations can measure their survivability and continuity, given the demands of the internal and external environment in which they operate. Macedo and Corrar (2010), in turn, emphasize that the evaluation of companies' performance is fundamental for their survival. Their analysis, according to Brandt, Kroenke, and Pletsch (2018), is of paramount importance as it is essential for business management control.

The growing interest in organizational performance measures is due to essential changes in both the business environment and the strategies adopted. In this sense, Ramos and Souza (2018) clarify that the performance evaluation of organizations is an essential activity in management. There are new challenges, of relationships complexity and a technological and competitive dynamic in the business world (Ramos & Souza, 2018).

Regarding their measurement, Gunasekaran and Kobu (2007) consider it a great challenge for managers to develop appropriate decision-making measures that contribute to the achievement of competitiveness. There are two perspectives about measured performance: first as a subjective concept, which is related to the production of organizations according to their expectations or relative to competition (Pelham & Wilson, 1996). The second option is to analyze it by the objective method, based on absolute measures of performance (Chakravarthy, 1996).

To support the organization's strategic decisions, according to Bortoluzzi, Ensslin and Ensslin (2010), some critical elements must be considered. Taking account the organization particularities, find financial and non-financial indicators, link strategically with operational objectives. Also, build a communication process to clarify and identify the organization goals is idealizing. According to Gripa and Carvalho (2019), it appears that supply chain integration has a positive relationship with the company's performance concerning strategic, organizational, information, and market aspects.

However, the validity of using subjective performance indicators has been demonstrated as a viable alternative in case of a lack of reliable secondary data (Perin & Sampaio, 1999) as well as given the impossibility of obtaining them. As Hoque (2005) comments, a significant portion of small companies do not have or have little objective information, making it almost impossible to verify them accurately.

In this study, we chose to use subjective performance measures, working with the hotel managers' perception of cost practices. Decision-based on the fact that this construct

constitutes the dependent variable in the model, and its measurement, as a value concerning the closest competitors, is appropriate to estimate the relationships that have an entrepreneurial orientation with it.

5 MATERIAL AND METHODS

Given the criteria adopted, the approach to the problem was quantitative. Quantitative assessment comprises organizing, summarizing, characterizing, and interpreting numerical data (Martins & Theóphilo, 2007). Regarding the objective, it is a descriptive study. For Vergara (1998), the purposes of the descriptive research refer to obtaining information about a phenomenon or about a particular population and to describe its characteristics. Regarding the technical procedures, it was of the survey type, which aims to contribute to the knowledge of a specific area of interest by collecting data about individuals or their environment (Trez & Matos, 2006).

The material for the study was obtained through a self-administered questionnaire, sent via e-mail, which was answered by hotel managers in sixteen cities in the Southern Region of Brazil. Hotels in the economic, tourist, and superior categories were chosen, which in the old Brazilian classification corresponded to two, three, and four stars, respectively. The register of natural and legal persons working in the tourism sector, maintained by the Ministry of Tourism of Brazil (Coordenação Geral de Serviços Turísticos [CGST], 2019), points out in the report of the third quarter of 2019 the existence of 2,293 organizations in the southern region of Brazil. Of these, 1,503 records are classified as a microenterprise. In turn, 723 are registered as hotels, and 203 have individual legal status. The latter was considered the sample of this research, of all questionnaires sent back 112 representing a rate of 55.17%.

There were five sections in the instrument. In the first, basic information was collected from the respondent and about the organization. In the second, there were four questions referred to costs. He wondered about the method used to evaluate them, the criteria adopted to set prices, the main hotel costs, and the usefulness of the cost information (Beulke & Bertó, 2001; Bruni & Famá, 2004; Viana et al., 2011).

In the third, to collect the data on entrepreneurial orientation, we used a seven-point Likert scale, varying from strongly disagree (1) to strongly agree (7). We worked with Covin and Slevin (1989) proposal, based on the work of Miller (1983), created an instrument to obtain proactivity, risk-taking, and innovativeness. For the first two dimensions, we used five assertions, and for the last six.

In the fourth, also using a seven-point agreement scale, eight statements about cost practices were provided. These were the following subjects: 1) strategic execution and budget planning with monthly monitoring; 2) provision accounting costs information on gross margin;

3) provision accounting costs information on contribution margin; 4) planning activities with detailed budget; 5) costs monitoring incurred and comparison with budgeted; 6) evaluation of clients' contribution to the financial result; 7) use accounting cost information for planning, management and control; and 8) associated use of cost information with cost accounting for planning, management, and power.

Finally, in the fifth, performance data were measured, subjectively measured, concerning the nearest competitor. As in the previous two blocks, we used a seven-point agreement scale. In it the respondent should indicate if the hotel he/she manages had a better performance in the following aspects: 1) in net profit; 2) in total sales; 3) the realization of financial results; 4) meeting staff and employment goals; 5) meeting customer satisfaction goals; 6) customer retention; and 7) overall performance.

We organized collected data in a spreadsheet and the preprocessing suggested in Hair, Black, Babin, Anderson, e Tatham (2009). Initially, 38 missing data were quantified. The median value filled the missing data of the item in which the omission. Therefore, 49 outliers were evaluated using the Box-Plot graphical function, which we chose to maintain by not knowing the pattern in their distribution.

Then, we calculated the mean (M), standard deviation (SD), asymmetry (AS), kurtosis (K), and coefficient of variation (CV). They are thus enabling the descriptive analysis of the variables. On the other hand, according to Finney and DiStefano (2006) if the asymmetry and kurtosis do not exceed the values of 2 and 7, respectively, the distributions of these variables can be considered almost normal.

Exploratory factor analyses were performed to define the items for each dimension of entrepreneurial orientation, cost practices, and performance. Restrictions were placed on the construct to be expressed by a single factor extracted from the correlation matrix according to the Kaiser criterion. The associated variance is at least 50% and that the correlations of the items with the factor are more significant than 0,60 in the module.

For each EO dimension, cost practices and performance generated the factor scores derived from the extracted factor. With these new variables, correlation analyses were performed to assess whether there is an association between the constructs. We used Spearman's correlation coefficient to lack of data normality. Subsequently, with these same synthesis variables, analysis of variance (ANOVA) was developed using the answers to the four cost questions as the categorical predictors. ANOVA is a very robust test in the presence of non-normality and heteroscedasticity (Harris, 1975).

6 FINDINGS

The number of housing units (HU) first characterizes the hotels. Of them, 30 had up to 49 HU. Between 50 and 100, HU were 71 hotels. Finally, it had 11 hotels with more than 100 HU. Regarding the size measured by the number of employees, hotels with between 10 and 49 employees predominate, reaching 58. With a number between 50 and 100 employees in the sample, there are 50 hotel companies and four with more than 100. Sixty-two respondents were general manager, 32 commercial managers, ten operational managers, and eight coordinators or supervisor. By gender, 73,5% of respondents were men and 26,5% women.

Regarding the variables, the first treatment was to make a descriptive analysis calculating the mean, standard deviation, asymmetry, and kurtosis. The results of this processing are in Table 1, where the values obtained for the three dimensions of entrepreneurial orientation, cost practices, and performance. The lowest average entrepreneurial orientation dimension is innovativeness. Also, the highest average dimension of entrepreneurial orientation is proactivity. When performing an ANOVA to compare all EO dimension averages, cost practices, and performance, there are differences in simultaneous comparison. Also, by showing the Tukey test for the odd number of elements, it is confirmed that proactivity has meant (6,18) significantly higher than risk-taking (4,68). In other words, hotels demonstrate proactivity and innovativeness but do not take risks to an equivalent extent.

Table 1

Descriptive statistics of proactivity (PR), innovativeness (IN), and risk-taking (RT) indicators of entrepreneurial orientation, cost practice (CP) and organizational performance (PE)

Item	M	SD	AS	K	CV	Item	M	SD	AS	K	CV
PR1	6,17	0,8567	-0,3380	-1,5583	0,1388	CP1	6,30	0,8038	-0,8939	-0,0182	0,1275
PR2	6,69	0,5682	-1,6884	1,8572	0,0849	CP2	5,24	1,3658	-0,2108	-0,9904	0,2609
PR3	6,25	0,8252	-0,7070	-0,5699	0,1320	CP3	5,31	1,4029	-0,3913	-1,0320	0,2643
PR4	5,71	1,2601	-0,2197	-1,6299	0,2208	CP4	6,63	0,6563	-2,0847	5,4409	0,0989
PR5	6,08	0,9225	-0,1568	-1,8160	0,1518	CP5	5,84	1,0774	-0,7468	0,2922	0,1846
IN1	2,73	1,4632	0,3909	-0,4209	0,5369	CP6	6,23	0,7694	-0,4211	-1,1962	0,1235
IN2	5,27	1,2169	-0,4742	1,0259	0,2307	CP7	5,35	1,3433	-0,4352	-0,7493	0,2512
IN3	5,67	1,0203	-0,1925	-0,2931	0,1801	CP8	5,25	1,3551	-0,3287	-0,9147	0,2579
IN4	6,34	0,7868	-0,6783	-1,0598	0,1241	PE1	5,90	1,0599	-1,0059	0,8249	0,1796
IN5	6,36	0,7333	-0,7636	-0,4809	0,1152	PE2	5,92	0,9510	-1,2552	2,1479	0,1607
IN6	6,44	0,6887	-0,8370	-0,5009	0,1069	PE3	5,97	0,9064	0,0680	-1,7876	0,1519
RT1	4,79	1,8988	0,2062	-1,8347	0,3965	PE4	5,76	0,7728	0,1206	-0,4114	0,1342
RT2	4,87	1,8799	0,0676	-1,7785	0,3862	PE5	6,61	0,5374	-0,9207	-0,2453	0,0813
RT3	5,03	1,7599	-0,0363	-1,7406	0,3496	PE6	6,02	0,8506	-0,0469	-1,6197	0,1412
RT4	4,12	2,1209	0,3480	-1,3935	0,5151	PE7	5,79	1,2115	-0,6287	-0,6381	0,2093
RT5	4,58	2,0019	0,1815	-1,7133	0,4368	*	*	*	*	*	*

In the individual analysis of the dimensions of entrepreneurial orientation, for proactivity, it was found that the highest average was that of question 2, which refers to the response of hotels to the competitor's action. For the industry, something important is to keep up with the initiatives competitors have. The issue that addresses the hotel's proactive effort when there is ambiguity or doubt in government rules, raised in item 4, reached the lowest average. That is, this result reflects that organizations have a proactive behaviour in the face of environmental uncertainties.

In the innovativeness dimension, the highest average value was for the issue that highlights innovations that ensure the development of services that meet customer expectations (IN6). In turn, the lowest average was for the appreciation of research and development of new products or services in the hotel (IN1). Finally, the risk-taking standards, as shown in Table 1, were the lowest among the three dimensions of entrepreneurial orientation, which corroborated Anova's results. The highest average (5,03) was for the item that deals with adopting a bold stance to achieve the company's objectives. Also, the lowest (4,12) was for the issue of choosing an aggressive stance to exploit opportunities Potentials.

Regarding cost practices, item CP4 had the highest average (6,63), which refers to the planning of hotel activities according to a detailed cost budget. For performance, the highest average was for item PE5 (6,61), which deals with meeting customer satisfaction goals. When evaluating the relationship between standard deviation and mean, that is, when calculating the coefficient of variation, the risk-taking has the highest variability.

As for the calculated values of the asymmetry and kurtosis of the complete database, only the planning activity with detailed budget (CP4) exceeds, by just over eight hundredths, the value defined by Finney and DiStefano (2006) for the asymmetry.

Before assessing whether there is an association between the constructs, we performed the Kolmogorov-Smirnov normality tests with the factor scores generated from the dimensions of entrepreneurial orientation, cost practices, and performance. We found significant results in all results, indicating a lack of normality. We used Spearman's rank correlation coefficient to measure relationships. The result obtained is shown in Table 2, with the coefficient value and its significance.

Table 2

Spearman's correlation coefficients between the factor scores (FS) of proactivity (PR), innovativeness (IN), risk-taking (RA), cost practice (PC), and organizational performance (DO)

	FS-PR	FS-IN	FS-RA	FS-PC	FS-DO
FS-PR	1	p<0,001	p<0,001	p<0,001	p<0,001
FS-IN	-0,448	1	p<0,001	p<0,01	p<0,001
FS-AR	0,335	-0,561	1	p<0,001	ns
FS-PC	0,323	-0,249	0,331	1	ns
FS-DO	0,445	-0,485	0,107	-0,042	1

Organizational performance correlates positively with proactivity. Also, organizational performance is negatively correlated with innovativeness, but the risk-taking dimension shows no relationship. Similarly, cost practice does not correlate with performance.

Then ANOVA was performed with the cost method as a predictor. The only techniques reported by respondents were: absorption (52), variable (51), and activity-based (9). The ANOVA results with the entrepreneurial orientation dimensions show that for the proactivity dimension, the simultaneous comparison was significant ($F(2,109) = 17,132$, $p = 0,000$). Tukey's paired test for odd number showed that the means of the activity-based method is higher than the mean variable ($p = 0,0003$) and absorption means ($p = 0,0191$). There was also a difference between mean absorption and variable, the former being significantly higher ($p = 0,0022$).

When assessing the innovativeness dimension, differences were also observed in the simultaneous comparison ($F(2,109) = 13,059$, $p = 0,00001$). However, in paired comparisons with the Tukey test for odd number the variable method mean was significantly higher than the activity-based cost method mean ($p = 0,0009$) and also that the absorption method ($p = 0,0206$). The risk-taking dimension also showed differences in the simultaneous comparison ($F(2,109) = 35,756$, $p = 0,00000$). Again, hotels using the cost-based method have the highest average, differing from absorption and variable methods. With the paired comparisons, the average of those using the activity-based method is significantly riskier than those employing absorption ($p = 0,0001$) and variable ($p = 0,0001$). In turn, those using the absorption method have a higher average than those using the variable method ($p = 0,0369$).

For cost practices, there were no differences in simultaneous comparisons in Anova using the hotel cost method as a categorical predictor. When performing ANOVA with the factorial performance scores, the result of the simultaneous comparison confirms that there are differences ($F(2,109) = 6,7729$, $p = 0,00169$). Also, Tukey's test for odd numbers proves that the highest averages were for those hotels that use the absorption and activity-based method, which are statistically equal. However, only the average of those employing absorption was more significant than 5% of that calculated for those using the variable ($p = 0,0084$), and the average of the activity-based only higher with 10% significance ($p = 0,0828$).

There is no significant difference for either entrepreneurial orientation or cost practices by using as a categorical predictor the way hotels set prices. The options presented were only those that set the value based on total cost (65), considering market value (19) and depending on the prices charged by competitors (28). However, when processing performance data there are differences in simultaneous comparison ($F(2,109) = 6,0548$, $p = 0,00321$). In the paired comparison, using the Tukey test for an odd number. Hotels that use market value

to establish daily prices are those with higher averages than those based on total cost ($p = 0,018$)—however, the same as those based on the price charged by competitors.

The managers were asked order according to the importance given by the hotel in the other two questions regarding costs. One referred to direct, indirect, and advertising costs. In the other question, it was requested to rank by importance as to the uses of costs for management. In both questions, there were only two types of ordering. For the first question, the orders were: (1) direct, indirect costs and advertising; and (2) direct costs, advertising, and indirect costs. In category (1) there were twenty-eight hotels and in (2) eighty, with three questionnaires unanswered.

In the other question order was: 1) to define hosting prices; 2) admit/dismiss and qualify personnel; 3) decide on discounts on hosting price; and 4) make a decision for new investments in fixed assets. Sixty-four (64) establishments gave this ordering. Another forty-six (46) hotels varied only the order between deciding on discounts and admitting/firing staff. For this question, there were two missing data.

When the answers to these two sort-by-importance questions are categorical predictors in the Anovas, there was no significance in either comparison. Whether with entrepreneurial orientation or performance as dependent variables. The first options are coincident in both questions for the formed groups.

7 CONCLUSION

Based on the aspects highlighted, this study sought to assess the relationship between entrepreneurial orientation and organizational performance, taking into account cost management, measured in the hospitality industry in southern Brazil. It is essential to evaluate how the cost and pricing methods can influence those constructs.

A first finding worth mentioning is that the relationship between entrepreneurial orientation and performance in the sample of hotels participating in the survey is not valid for all dimensions. Analyzes have shown that hotels have not outstanding entrepreneurial characteristics. On the contrary, a conservative attitude is present regarding risk-taking. These empirical results are divergent with those found by Carvalho (2011), whose research demonstrates a positive relationship between entrepreneurial orientation and performance.

Hotels that use the activity-based cost method are more entrepreneurial oriented. At the same time, when working with the formation of the daily rate, it is found that the hotels that carry out pricing based on market values are the ones that have the best performance. This aspect can contribute to the decision making of hotel managers in their daily practice.

Among the study's limitations, there is the challenge of raising objective data on costs, pricing, or other performance indicators. Future studies of the hospitality industry could have other variables highlighted as influencing the relationship between the strategic orientation of hotels and performance, such as environmental munificence (Carvalho, 2011), this could bring new information to the sector. Therefore, to continue these works, including other performance indicators, considering the influence of the business environment in high and low tourist season situations.

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Conflict of Interest

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