

EFFECTS OF MANAGERS' INDIVIDUAL INNOVATIVE BEHAVIOR TENDENCIES AND BUSINESS INNOVATION ON NON-FINANCIAL BUSINESS PERFORMANCE

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ABSTRACT

Innovation globally gains its speed day by day and is now seen as the key to progress and development. In recent years, innovation in firms has showed a necessity of individual innovativeness. This necessity of innovative individuals is seen as a significant responsibility of hotel managers. Both individual innovative tendencies of managers and business innovation are of importance for the survival of the firms as well as competitive rivalry resulting in better performance. Thus, this study aims to find out the effects of managers' innovative behaviour tendencies and business innovation on the non-financial business performance. A questionnaire survey was conducted on 22 five-star city hotels located in Ankara, the capital of Turkey. Factor, regression and correlation analyses were used to test the study hypotheses. The findings showed that the "resistance to change" dimension of managers' individual innovative behaviour tendencies has a negative effect on the non-financial business performance while the dimensions of "leadership in ideas", "openness to experience" and risk-taking" did not produce any effect on the non-financial business performance. The study also found that the hotels follow "customer focused" innovation, which shows the customers are at the centre of all the hotel operations. The study further showed that there is a positive and significant relationship between managers' individual innovative behaviour tendencies and business innovation.

Keywords: Innovation, Individual Innovative Behaviour, Business Innovation, Business Performance, Hotels

Yöneticilerin Bireysel Yenilikçi Davranış Eğilimleri ve İşletme Yenilikçiliğinin Finansal Olmayan Performans Üzerine Etkisi

Özet

Yenilikçilik kavramı küresel olarak gün geçtikçe önem kazanmaktadır. Hatta ilerleme ve gelişmenin temel anahtarı olarak görülmektedir. Son yıllarda, firmalarda yenilikçilik bireysel yenilikçiliğin gerekliliğini göstermiştir. Firmalarda yenilikçi bireylerin gerekliliği otel yöneticilerinin önemli bir sorumluluğu olarak görülmektedir. Yöneticilerin bireysel yenilikçi davranış eğilimleri ve işletme yenilikçiliği firmaların hayatta kalması ve daha iyi performansla neden olan rekabetçi konumunda faaliyet göstermelerini sağlar. Bu nedenle, bu çalışma yöneticilerin bireysel yenilikçi davranış eğilimlerinin ve işletme yenilikçiliğinin finansal olmayan performans üzerine etkilerinin olup olmadığını bulmayı amaçlamaktadır. Türkiye'nin başkenti Ankara'da bulunan 22 beş yıldızlı şehir oteli ile ilgili anket çalışması yapılmıştır. Çalışma hipotezlerini test etmek için faktör, regresyon ve korelasyon analizleri kullanılmıştır. Bulgular, yöneticilerin bireysel yenilikçi davranış eğilimlerinin "değişime direnç" boyutunun finansal olmayan işletme performansında olumsuz bir etkisi olduğunu, "fikirlere liderlik", "deneyime açıklık" ve risk alma" boyutlarının finansal olmayan performans üzerine etkisi olmadığını göstermiştir. Çalışma ayrıca, otel müşterilerinin tüm otel faaliyetlerinin merkezinde olduğunu gösteren "müşteri odaklı" işletme yenilikçiliğini takip ettiğini bulmuştur. İlave olarak, çalışma yöneticilerin bireysel yenilikçi davranış eğilimleri ile işletme yenilikçiliği arasında pozitif ve anlamlı bir ilişki olduğunu göstermiştir.

Anahtar Kelimeler: Yenilikçilik, Bireysel Yenilikçi Davranışlar, İşletme Yenilikçiliği, İşletme Performansı, Oteller

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INTRODUCTION

In post-modern business life, competition is increasingly intense for firms to be competitive in many sectors, particularly for hotels. Therefore, innovation is seen to be one of the important factors to provide an edge to be competitive in the markets (Decelle, 2004; Hjalager, 2010). Firms are also required to sustain their competitive positions in the mid and long term. To be able to do that, firms, in this case hotels, have to keep their assets innovatively and make sure innovation is channeled to every part of the hotel organization including to all employees (Özer, 2011). To support this, Brown and McDonnell (1995) say that hotel firms must continually improve their existing services and processes in order to be able to innovatively operate their businesses and in turn successfully grow in the national and international markets.

I.THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

Lately, high-quality experience in tourism has become more important. To manage this quality experience, "innovative activities" have gained momentum. This would be explained as that tourists focus more on expectations being satisfied than tourist products themselves (Işık and Meriç, 2015). While tourist expectations are fulfilled through the offerings in their hotels, these offerings are required to be more innovative in their nature to increase their operational and business performances in hotels. The fact mentioned above is reflected as adapting constant changes to the hotel operations to be competitive in the market. Bayram (2006) especially emphasized the importance of "human resource factor" in the hotel operations. Along with the importance of "human resource factor", top management should have all the necessary performance measures in place. In order to do this, hotels must adapt a system enabling top management to measure operational and business performances in an active and orderly manner (Erdem et al., 2011). Therefore, the topic regarding the relationship between innovation and organizational performance has had a considerable attention in the management literature (Erdem et al., 2011). Especially, innovation and organizational performance in the hospitality management literature have been examined by Calantone et al. (2002); Erdil and Kitapçı (2007); Orfila-Sintes and Mattsson (2009); Erdem et al. (2011); Tajeddini, (2011); Eren et al. (2013); Paksoy and Ersoy (2016).

To look at these literature specifically, Calantone et al. (2002) stated that business innovation ability has a significant and positive relationship with business performance. Erdem et al. (2011) also examined the relationship between innovation and business performance from the perspective of hotel management. Moreover, Erdil and Kitapçı (2007) showed that innovation improves operating performance; Eren et al. (2013); Orfila-Sintes and Mattsson (2009); Erdem et al. (2011) found the similar results in their studies. Further, Paksoy and Ersoy (2016) found positive and significant relationships between the innovative levels of the hospitality firms and the non-financial business performance. Several other studies found that business innovation ability has a significant and positive relationship with business performance (Özşahin et al., 2005; Eren et al., 2010; Tajeddini, 2011; Erdem et al., 2013; Small and Hüge, 2014; Çetintürk et al., 2016). Kapucu (2012) also touched upon the study of the relationship between innovative culture and innovation and business performance.

Having established the relationship between innovation and business performance above, next, the study specifically looks at the issues of managers' individual innovative behaviour tendencies, business innovation and non-financial business performance.

A. MANAGERS' INDIVIDUAL INNOVATIVE BEHAVIOUR TENDENCIES

Innovative thinking individuals are desired to be taken on board by firms across many sectors. The main reason behind this policy is that individuals are the source of business

innovation institutionally (Açıkgöz Ersoy and Muter Şengül, 2008). Within this context, the required situation is expected to come from the point of ‘immediately adopting an innovation’ in firms (Goldsmith and Foxall, 2003). The adoption of an innovation generally reflects a person’s willingness to an innovation or positive reaction towards an innovation (Uzkurt, 2008). From this point of view, an innovative individual takes some risks by being subjected to a new idea or a new application in their firm. This suggests that individuals towards having an innovation welcome the new experience in question and this new experience is seen as ‘refreshing’ their personalities and ‘being excited’.

In this context, individual innovation could be defined as developing, accepting or implementing an innovation (Yuan and Woodman, 2010). Moreover, it should be added that individuals have the differences showing abilities to innovate. These individuals are generally seen as individuals who do not hesitate to face the speed and chaos of innovation and they tend to be more independent (Şimşek, 2002). As a result, Individuals with the abilities in innovation have a tendency towards having more original ideas and opinions than the non-innovative individuals. Therefore, the individual innovative behaviour is an effort to achieve effective and efficient approaches with the focus of reaching the firm targets planned, which might be demanding in nature (Janssen, 2000). However, it should be noted that the effort of reaching planned targets by a firm does not prevent any employee having innovative behaviour. Even, employees consciously adopt new ideas for the development of products and processes in their departments or in their entire firm (Yu et al., 2013). For example, Topcu et al. (2015) state that individuals creating organizational innovations are as valuable as the innovations that provide a sustainable competitive advantage for firms. Thus, individuals with innovative tendencies play a significant role in the innovation process in firms not only with the ideas they put forward, but also with their leadership in practice. The transformation of individual skills into innovative behaviours is an important point for the firms as well as for individuals (Şimşek, 2002).

Within this context, individuals are differentiated from the point of innovation regarding their innovative behaviours and qualities such as developing, accepting and implementing new ideas for their firms’ products and services. The differences in individuals manifest themselves in the dimensions of “resistance to change”, “leadership in ideas”, “openness to experience” and “risk taking” (Bhatnagar et al., 2000; Hitt, Black and Porter, 2005; McLean, 2005; Şahin, 2011; Yu et al., 2013; Topcu et al., 2015). These dimensions are discussed in detail below.

Resistance to change behaviours occur in the form of obstructing innovation, feeling of insecurity, suspicion and delays at work (Şahin, 2011). With this, an individual's avoidance of taking risks as a behaviour and fear of losing his position could be given as an example of resistance to change behaviour (Bhatnagar et al., 2000). In addition to resistance to change, leadership in ideas reflects the characteristics that make individuals stand out from the other individuals in the same group within which they operate every day, and they would have the ability to influence or change the attitudes and behaviours of other individuals in the direction they would like to lead. In short, leading in ideas exhibits such behaviours that tolerating mistakes in a constant learning cycle and showing autonomous and teamwork personalities are required to lead change and innovation in firms. In order to do this, any individual at a firm should have the openness to experience characteristics reflecting such a behaviour of willingness to seek and innovate new products or processes for their customers. With openness to experience for innovation, risk-taking is another aspect of individual innovative behaviours (McLean, 2005). In this dimension of reflecting the innovative tendency, individuals should basically have characteristics towards bringing uncertainty to certainty in a manner of creating differences for their firms so that they do not seem to be shy in front of solving an obstacle by taking risks (Hitt, Black and Porter, 2005). All the individual innovative efforts to bring uncertainty to certainty is to increase the firms’ business performance.

B. BUSINESS INNOVATION

Firms in a postmodern era are expected to be innovative and to sustain their survival first, and they are then pushed to create such a market position unique for themselves to sustain their advantages (Porter, 1985). In order to be competitive in the market, firms are required to add value to their products or services. With this expectation from their customers, the delivery of the products or services are also expected to be a more innovative resulting in customer satisfaction. Thus, innovation is seen as “new ways and methods in production”(Schumpeter, 1939: 84-91). To add to the Schumpeter’s view, Gürol (2006) stated that innovation could be a creative idea to be used or sold as a product or service or process transformed. Therefore, innovation reflects new ideas and options developed by the creativity of firms or individuals in order to create value to their customers (Camison-Zornoza et al., 2004; Çalışkan and Akkoç, 2012). Thence, innovation is seen as creating value to their customers so it becomes a competitive power in rivalry. To reflect on this with an international perspective, firms globally serve their products or services to their markets. Thus, innovation plays an important role in increasing business performance by expanding their products or services across the globe to increase the rate of their profit (Oslo 2005). Within the context of internationalization, the hotels that particularly pay attention to the subject of innovation reap the benefits of customer satisfaction resulting in higher occupancy in their hotels (Verma et al., 2008).

Having established the importance of business innovation for firms, one should look at the subject of innovation by especially focusing upon customer (Berthon and Hulbert, 2004), and business innovation itself (Salomo et al., 2004; Victorino, 2005).

Customer focused innovation is a market based approach so that targeted customers’ needs and wants are constantly sought by the firms (Naktiyok, 2003). This dimension of the innovation by firms should be approached holistically such a way that all employees across the tiers of an organisation is responsible for satisfying the customers’ needs and wants. Moreover, these firms would create such understanding in their organisations that a constant awareness of changing nature of customer needs and wants are continuously examined over time. Thus, firms should update what their customers expect from themselves. To support this, Salomo (2006) stated that the customer focused approach contributes to the product development of the firms. To give an example in the hotel sector, innovative facilities such as kids programmes, visits into kitchens by the tourists etc. at hotels affect the customers’ hotel selection (Victorino, 2005).

Innovation focused firms are expected to show better performance than those that are less innovative or those that are not able to be innovative in the market (Erdem et al., 2011). This is because the firms showed that the business innovation is seen as a survival factor to keep their market position and that the business innovation practices in their firms are the facilitators to increase their overall performance against the competition they face. Hult et al. (2004) in their study compared the innovative practices between manufacturing and service sectors and they found a positive effect on the business performance in both sectors. Moreover, the innovative operations in the product quality and the production processes have a strong relationship with their business performance (Prajogo and Ahmed, 2006). Yavuz (2010) also examined the effects of the innovation types on the business performance and they found that the innovation types have a positive effect on the business performance. To support the study mentioned above, Öztürk et al. (2013) found that the innovative business practices in yachts have positive effects upon the business performance and customer satisfaction. To sum up, as mentioned in the studies above, the innovative business practices contribute to the business performance, however, it should be noticed that all business innovative practices are created by the top management and implemented by the staff of the firms. Thus, a particular attention should be paid on the subject of the individual innovative behaviour tendencies of management. The next section will discuss about the individual innovative behaviour tendencies of management.

C. BUSINESS PERFORMANCE

The business performance is a buzz word in competitive rivalry and management literature. Thus, this section looks at the business performance by emphasizing a holistic view. First of all, one should understand what business performance means in the management literature. Business performance is basically termed as the “evaluation of all business efforts pulled together toward accomplishing planned business objectives” (Akal, 2000: 2). However, Tarım (2004) viewed the subject of business performance in a more holistic way that business performance covers the current state of a firm in which all the firm’s resources are included and also reflects the firm’s future potential in a market in that the firm operates and competes. To put it simply that the business performance determines where the firm wants to be in the near future and how it positions itself and its size (Koçel, 2003).

Having explained the term of business performance in a simple and holistic way, one should realize that the success of a business is related to its performance and how this performance is measured realistically. To support this approach, a good management of a firm should have an effective performance measurement system (Kahraman, 2009) and this measuring system of the firm performance should be more updated such a way that it should reflect the real picture of the firm performance any moment in time (Mawer, 2003).

Measuring firms’ performance are examined by several studies in the literature (Atkinson and Brander-Brown, 2001; Harris and Mongiello, 2001; Laitinen, 2002; Wadongo et al., 2010). By looking through these studies, the focus is put upon the financial and non-financial performances and various criteria are used to measure the firms’ performances (Alpkan et al., 2005). These criteria cover the performance factors such as competitiveness, service quality, customer satisfaction and loyalty, organizational flexibility and resource utilization in which both the financial and non-financial performance factors are equally advocated. For example, Laitinen (2002) used both the financial and non-financial criteria to measure firms’ performances and this approach gives managers holistic view to evaluate their firms’ performances. To support this, Neely et al. (2005) stated that the firm’s activities and their efficiencies are to be quantified in measuring the firm’s performance. This approach gives an opportunity to managers to compare the firm’s performance with the planned targets of their firms. However, the traditional quantitative performance values are replaced with the qualitative performance values in recent years (Evliyaoğlu and Hemedoğlu, 2012). For example, customer satisfaction and loyalty are of importance for the survival of firms in the market place.

In addition to the issue mentioned above, the performance data provided by firms are limited and sometimes not available due to legal limitations and commercial concerns (Ayas, 2015). This situation leads the researchers to measure the performance based on perceptual data (Yıldız, 2010). The qualitative assessment of the performance of the firms in any sector becomes as a reliable tool in measuring performance of firms (Paksoy and Ersoy, 2016). With this approach, the non-financial performance measurements could add value to the performance of firms by providing a long-term focused on their efforts and strategies (Banker et al., 2005). Therefore, this study particularly focuses upon the non-financial performance in relation to the subjects of managers’ individual innovative behaviour tendencies and business innovation.

Next, in the light of the literature review mentioned above, the study investigates the effects of managers’ individual innovative behaviour tendencies and business innovation on the non-financial business performance by proposing seven hypotheses (Hs) and a conceptual model below as follows:

H1: “Resistance to change” dimension of managers’ individual innovative behaviour tendencies has a significant and negative effect on the non-financial business performance.

H2: “Leadership in ideas” dimension of managers’ individual innovative behaviour tendencies has a significant and positive effect on the non-financial business performance.

H3: “Openness to Experience” dimension of managers’ individual innovative behaviour tendencies has a significant and positive effect on the non-financial business performance.

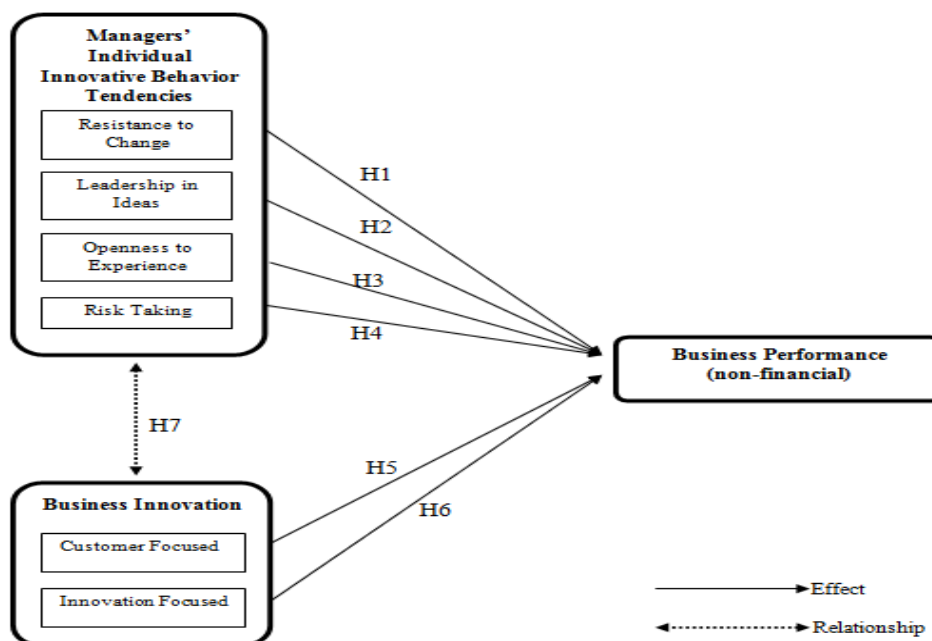
H4: “Risk-taking” dimension of managers’ individual innovative behaviour tendencies as a significant and positive effect on the non-financial business performance.

H5: “Customer orientation” dimension of Business Innovation has a significant and positive effect on the non-financial business performance.

H6: “Innovative direction” of Business Innovation has a significant and positive effect on the non-financial business performance.

H7: There is a significant and positive relationship between managers’ individual innovative behaviour tendencies and business innovation.

Figure 1: Conceptual Model of Study



II. METHODOLOGY

A. SURVEY INSTRUMENTS AND MEASURES

The study specifically developed a questionnaire by reviewing the scales of managers’ individual innovative behaviour tendencies, business innovation and non-financial business performance. After reviewing the literature, the effects of managers’ individual innovative behaviour tendencies and business innovation on the non-financial business performance were holistically examined in order to form the study questionnaire. Having done this, the study questionnaire was tested with seven hotel general managers in Ankara to make sure the questions understood properly.

The questionnaire consisted of four parts. The first part required the demographic characteristics of the study respondents. The second part comprised of the statements about the hotel managers’ individual innovative behaviour tendencies. This part had four dimensions

(Resistance to Change, Leadership in Ideas, Openness to Experience and Taking Risks). The third part presented the dimensions of business innovation (Customer Focused and Innovation Focused). The last part of the study holistically covered the non-financial business performance. Further, this study specifically adapted the measuring scales as follows: managers' individual innovative behaviour tendencies (Kılıçer and Odabaşı, 2010), business innovation (Alpkan et al., 2005; Özşahin et al., 2005; Erdil and Kitapçı, 2007; Erdem et al., 2013) and the non-financial business performance (Özer, 2011). A five point Likert Scale was used to measure all the theoretical dimensions of the study where 1 presented "strongly disagree" and 5 presented "strongly agree".

B. DATA COLLECTION

The sample of the study was comprised of the five star hotels located in Ankara, the capitol of Turkey. The reason for the main focus of the five star hotels in Ankara was assumed that the sample hotels were theoretically able to produce a better understanding in innovation in the corporate level as well as in the individual level in the hierarchy of the hotels' management (Çetintürk et al., 2016). The list and their contact details of the sample hotels in Ankara were obtained from the Directorate of Ankara Culture and Tourism, which showed 22 five star hotels operating in the capital of Turkey. Of 22 five star hotels, the study included the managers from the top level to the departmental level. The survey questionnaire took place from October 2017 to January 2018. Initially, 205 questionnaires were sent to the respondents of the hotels in question and 176 questionnaires were returned back from the hotels. Of these questionnaires, 22 of them were not included in the analysis as some data in these questionnaires were missing. To sum up, 125 questionnaires were included in this study analysis.

C. DATA ANALYSIS

The study's unidimensionality and reliability are measured by exploratory factor analysis (EFA) and Cronbach alpha for managers' individual innovative behaviour tendencies and business innovation on the non-financial performances. The best possible latent factors by using "SPSS 23.0 for Windows" are extracted to describe the correlations of managers' individual innovative behaviour tendencies and business innovation measuring constructs (Pallant, 2007). For the study, the principal components analysis was used. Then, the orthogonal varimax rotation technique was applied for the factor rotation for the study (Tabachnick and Fidell, 2007).

Having found out both the latent factors of the individual innovation tendencies and business innovation, their effects of the latent constructs on the non-financial performance were measured. Later, the relationship between the constructs of the individual innovation tendencies and business innovation was measured by the correlation analysis.

D. FINDINGS

This section presents the study's demographic characteristics, mean and standard deviation of the respondents, the results of the factor, correlation and regression analyses.

To start with the demographic characteristics, this study looked at the five characteristics of the respondents as being gender, age, education, management level and managerial experience (see Table 1). The majority of the sample was male managers with 68,8 percent while 31,2 percent of the managers were female. The age characteristic of the study was almost evenly distributed. However, the 32-38 age group of the managers had the highest number (37,6%) among the age groups. On the other hand, the youngest group (25-31 ages) was ranked as the second high proportion in the study sample. This is also consistent with the sample as it included the department managers into the study. Education is pivotal in the hotel management. Therefore, 64,8 percent of the respondents had a graduate degree. This was followed by the degree of vocational school, which was 27,2 percent of the respondents. Further, the findings of

the management level shows that the majority of the respondents were the department managers (81,6 %). The rest of the sample was the general managers (15,2 %) and the hotel owners (3,2 %). The final characteristics of the managerial experience was evenly distributed. This reflected the sample covering the good range of the managerial experience in the sample hotels.

Table 1: Demographic Characteristics

Groups	Demographic Characteristics	F	%
Gender	Female	39	31,2
	Male	86	68,8
	Total	125	100
Age	25-31	33	26,4
	32-38	47	37,6
	39-45	30	24,0
	46 and over	15	12,0
	Total	125	100
Education	High School	5	4,0
	Vocational School	34	27,2
	Graduate	81	64,8
	Master and PhD	5	4,0
	Total	125	100
Management Level	General manager	19	15,2
	Department Manager	102	81,6
	Hotel Owner	4	3,2
	Total	125	100
Managerial Experience	1-5 years	15	12,0
	6-10 years	41	32,8
	11-15 years	32	25,6
	Over 16 years	37	29,6
	Total	125	100

Once the demographic characteristics of the sample characterized on the basis of gender, age, education, management level and managerial experience, the study presents the mean and standard deviation of the questionnaire statements and then, applied the exploratory factor analysis on three areas as managers' individual innovative behaviour tendencies, business innovation and non-financial performance.

As seen in Table 2 below, the study questionnaire statements' mean and standard deviation of managers' individual innovative behaviour tendencies, business innovation and non-financial business performance are presented.

Regarding the means of managers' individual innovative behaviour tendencies, the highest scores of the means come from the sentences phrased as "10. I see myself original in my opinions and behaviours" (*Mean: 4,52*) and "18. I am open to new ideas" (*Mean: 4,47*) while the lowest means of the statements are as "15. I think the old ways of living and old methods are the best way to solve problems" (*Mean: 1,63*) and "17: Before I accept new thing, I need to see the other people are using these new things" (*Mean: 1,86*).

As for the means of business innovation, the highest mean score for business innovation is the statement of "1. Our firm often try new ideas" (*Mean: 4.60*) while the lowest mean score is the statement of "6. In the last five years, our firm's new product offerings were increased". However, all the business innovation mean scores are above 4. Thus, the findings of business innovation means present a general trend toward the tendency that the sample respondents pay attention to the subject of business innovation.

The last part focused on the non-financial performance of the respondents' statements. The highest mean score is the statement of "1. Our firm's customer satisfaction is high" (*Mean: 4.60*). On the other hand, the lowest mean score of business performance is the statement of "6. In the last five years, our firm's new product offerings were increased" (*Mean: 4.04*). Both the mean scores are above 4. Therefore, the findings indicate that the respondents approach business innovation and performance equally important. However, customer satisfaction still comes first as an important factor for their business performance understanding.

Table 2: Mean and Standard Deviation of Managers' Individual Innovative Behaviour Tendencies, Business Innovation and Non-financial Business Performance (N: 125)

Questionnaire Statements	Mean	SD
Managers' Individual Innovative Behaviour Tendencies		
1: My friends often consults me when they need suggestions and information.	4,16	,4532
2: I like trying new ideas.	4,30	,4789
3: I always look for new ways to do things.	4,20	,4075
4: I am usually cautious to accept new ideas right away.	1,92	,5902
5: I try to develop new methods and solutions until I find the best method or solution for the problem.	4,47	,5012
6: I am usually suspicious about new inventions.	1,96	,3893
7: I do not respect new things until I see most people around me accept them.	1,74	,5373
8: I think I am an influential person in my group of friends.	4,35	,4960
9: I see myself original in my opinions and behaviours.	4,52	,5016
10: I think I am usually the last person in my friends' group to accept a new thing.	2,03	,6712
11: I have a creative personality.	4,46	,5165
12: I like taking responsibilities in leadership in my working group.	4,15	,4761
13: I am not willing to do a new thing until I see it works.	1,81	,6766
14: I find myself excited about my opinions and behaviours.	4,47	,5473
15: I think the old ways of living and old methods are the best way to solve problems.	1,63	,6161
16: Uncertainties and unsolved problems motivate me.	4,16	,7448
17: Before I accept new thing, I need to see the other people are using these new things.	1,86	,5585
18: I am open to new ideas.	4,47	,5619
19: The answers to the problems that are not clear make me excited.	4,15	,5088
20: I am usually suspicious towards new ideas.	1,87	,4207
Business Innovation		
1. Our firm often try new ideas.	4,60	,4918
2. Our firms search for new ways to produce better jobs.	4,42	,5121
3. Our firm is quite creative to find new methods.	4,11	,5114
4. Our firm always comes first its markets.	4,09	,4987
5. Our firm does not see innovation risky and does not resist any innovation.	4,16	,3753
6. In the last five years, our firm's new product offerings were increased.	4,04	,4288
Non-financial Business Performance		
1. Our firm's customer satisfaction is high.	4,54	,5000
2. Our firm's customer loyalty is high.	4,50	,5020
3. Our firm's employee satisfaction is high.	4,12	,5384
4. Our firm's employee turnover is low.	4,16	,4983
5. Our firm's corporate image is strong.	4,41	,5109

1. Factor Analysis

This study applied factor analysis to each of the three scales (managers' individual innovative behaviour tendencies, business innovation and business performance) to measure the

internal consistency and reliability as well as to find out the related or latent factors of the study model obtained from the literature.

Factor Analysis for Individual Innovativeness Scale

This section looks at the reliability of the managers' individual innovative behaviour tendencies scale and the exploratory factor analysis.

The reliability was shown by Kaiser-Meyer-Olkin (KMO) for managers' individual innovative behaviour tendencies. Table 3 below indicated that the study was found significant (,000) and sampling adequacy was well satisfied (KMO: ,818). The overall indication that reflected the reliability of the managers' individual innovative behaviour tendencies scale was satisfactory.

The Exploratory Factor Analysis (EFA) produced four latent factors (Resistance to Change, Leadership in Ideas, Openness to Experience and Taking Risks), which had previously been determined from the literature. The Cronbach's Alphas (α) for internal reliability for each factor mentioned above are all above ,871, which are statistically significant and high in reliability (Hair *et al.*, 2005; Bayram, 2009). Furthermore, The latent factor loadings are over ,634 and these loadings are found statistically satisfactory. The total variance explained is as being 71,478 percent, which is statistically sufficient (see Table 3 below).

Table 3. Managers' Individual Innovative Behaviour Tendencies Factor Analysis Results

Factors and Statements	Loadings	Eigen Value	Variance Explained %	α
Factor 1: Resistance to Change				
S10: I think I am usually the last person in my friends' group to accept a new thing.	,850	4,228	28,185	,871
S13: I am not willing to do a new thing until I see it works.	,807			
S20: I am usually suspicious towards new ideas.	,783			
S17: Before I accept new thing, I need to see the other people are using these new things.	,778			
S6: I am usually suspicious about new inventions.	,700			
S7: I do not respect new things until I see most people around me accept them.	,634			
Factor 2: Leadership in Ideas				
S9: I see myself original in my opinions and behaviors.	,785	3,170	21,131	,876
S14: I find myself excited about my opinions and behaviors.	,756			
S18: I am open to new ideas.	,723			
S11: I have a creative personality.	,717			
S15: I think the old ways of living and old methods are the best way to solve problems.	,678			
Factor 3: Openness to Experience				
S5: I try to develop new methods and solutions until I find the best method or solution for the problem.	,763	1,783	11,889	,888
S2: I like trying new ideas.	,685			
Factor 4: Taking Risks				
S16: Uncertainties and unsolved problems motivate me.	,756	1,541	10,273	,885
S19: The answers to the problems that are not clear make me excited.	,670			

The second EFA was applied onto business innovation for the study. Before the EFA, the reliability of business innovation was determined by looking at KMO and p values. KMO was found as being ,729 and p was determined as being ,000. Both KMO and p values for business innovation are statistically significant.

Business Innovation had been formed with two factors through the literature as being Customer Focused and Innovation Focused. The EFA was again applied to Business Innovation and produced two latent factors as being Customer Focused and Innovation Focused. The Cronbach's Alphas (α) for internal reliability of the latent factors were ,858 for Customer Focused and ,683 for Innovation Focused, which are both statistically significant (Hair *et al.*, 2005). Both loadings of Customer Focused and Innovation Focused are higher than ,813, which are statically considered as being "high" in loadings (Bayram, 2009). The contribution of these latent factors to the total variance is 72,545 percent, which is well acceptable statistically (see Table 4 below).

Table 4: Business Innovation Factor Analysis Results

Factors and Statements	Factor Loadings	Eigen Value	Variance Explained	α
Factor 1: Customer Focused				
4: Our firm always comes first in its markets.	,884	2,724	45,407	,858
6. In the last 5 years, our firm's new product offerings were increased.	,865			
3. Our firm is quite creative to find new methods.	,819			
5. Our firm does not see innovation risky and does not resist any innovation.	,663			
Factor 2: Innovation Focused				
1. Our firm often try new ideas.	,878	1,628	27,138	,683
2. Our firms search for new ways to produce better jobs.	,813			

Once both managers' individual innovative behaviour tendencies and business innovation scales of the study were tested through EFA, non-financial business performance was then examined. This examination was completed by applying EFA to the non-financial business performance scale of the study. This examination produced KMO as ,729 and p as ,000. These findings are statistically significant according the works of Bayram (2009).

EFA was conducted on the non-financial business performance scale. This application produced one factor, which had initially been obtained from the literature. This finding presented the one factor scale confirmed for the Non-financial Business Performance. The Cronbach's Alpha (α) for this latent factor was ,831 and the variance explained for the analysis was 84,532 percent, which were both statistically high for this analysis. The factor loadings for this latent factor was above ,835, which was "high" in loading (Bayram, 2009) (see Table 5 below).

Table 5: Non-financial Business Performance Factor Analysis Results

Non-financial Business performance	Factor Loadings	Variance Explained	α
Statements		84,532	,831
4. Our firm's employee turnover is low.	,943		
3. Our firm's employee satisfaction is high.	,921		
5. Our firm's corporate image is strong.	,641		
1. Our firm's customer satisfaction is high.	,921		
2. Our firm's customer loyalty is high.	,835		

2. Regression Analysis

The study up to now checked thoroughly the reliability of the data obtained and applied the EFA to find out the latent factors of this study. The regression analysis is now to find out

whether managers' individual innovative behaviour tendencies dimensions (Resistance to Change, Leadership in Ideas, Openness to Experience and Taking Risks) had an effect on non-financial business performance.

Having applied the regression analysis on the data obtained, the study showed that "Resistance to Change" had a significant and negative effect on the non-financial business performance ($p < ,004$; $t: -2,974$; $\beta: -,345$). The rest of the dimensions (Leadership in Ideas, Openness to Experience and Taking Risks) did not produce any effect on the non-financial business performance (see Table 6 below).

Table 6: Regression Analysis of Managers' Individual Innovative Behaviour Tendencies on Non-financial Business performance

Individual Innovative Behaviour Tendencies Dimensions on Non-financial Business performance	Standardised coefficients Beta	t	p
Resistance to Change >> Non-financial Business Performance	-,345	-2,974	,004
Leadership in Ideas >> Non-financial Business Performance	,081	,852	,396
Openness to Experience >> Non-financial Business Performance	,108	1,112	,268
Taking Risks >> Non-financial Business Performance	-,079	-,654	,515

As for the effects of Business Innovation dimensions (Customer Focused and Innovation Focused) on the non-financial business performance, the regression analysis only produced a significant and positive effect of Customer Focused on the non-financial business performance ($p < ,004$; $t: 2,924$; $\beta: ,431$). However, Innovation Focused of Business Innovation dimensions did not produce any significant and meaningful effect on the non-financial business performance (see Table 7 below).

Table 7: Regression Analysis of Business Innovation on Non-financial Business Performance

Business Innovation Dimensions on Non-financial Business performance	Standardised coefficients Beta	t	p
Customer Focused >> Non-financial Business Performance	,431	2,924	,004
Innovation Focused >> Non-financial Business Performance	,197	1,202	,232

3. Correlation Analysis

Having examined the effects of managers' individual innovative behaviour tendencies and business innovation on the non-financial performance, the study also looked at the relationship between managers' individual innovative behaviour tendencies and business innovation. Table 8 below shows that there is a significant and positive relationship ($p: ,000$; $Pearson: ,636$) between managers' individual innovative behaviour tendencies and business innovation.

Table 8: Correlation Analysis of Managers' Individual Innovative Behaviour tendencies and Business Innovation

		Individual Innovativeness	Business Innovation
Individual Innovativeness	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	125	

Business Innovation	Pearson Correlation Sig. (2-tailed) N	,636** ,000 125	1 125
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**Correlation Sig. Level ,001 (2-tailed)

DISCUSSION AND CONCLUSION

This study's overall aim was to test whether the managers' individual innovative behaviour tendencies had an effect on the non-financial business performance in five star hotels in Ankara, the capital of Turkey.

This section initially presented the findings to investigate the effects of managers' individual innovative behaviour tendencies and business innovation on the non-financial business performance. Then, the study examined the relationship between the managers' individual innovative behaviour tendencies and business innovation by the correlation analysis. Lastly, some discussion and conclusion are drawn from the study.

This study specifically tested whether the managers' individual innovative behaviour tendencies had an effect on the non-financial business performance. In this specific testing, the related literature was examined thoroughly and four dimensions were found to cover the subject of the managers' individual innovative behaviour tendencies under the headings of "resistance to change, leadership in ideas, openness to experience and risk taking". Through EFA, the data produced the same four dimensions and then, these findings were exposed to the regression analysis to find out whether there was an effect on the non-financial business of the city hotels. According to the results of this analysis, only H1 (resistance to change) was accepted as there was this significant and negative effect on the non-financial business performance ($\beta=-0,345$ and $p<0,05$). This finding is consistent with the studies of Bhatnagar et al.(2000); McLean(2005); Şahin (2011); Yu et al.(2013); Topcu et al.(2015). The rest of H2 (leadership in ideas), H3 (openness to experience) and H4 (risk taking) was rejected as the regression analysis did not produce any significant effect on the non-financial business performance. This showed that "resistance to change" on the subject is significantly more important than those rejected. However, this does not necessarily mean that those that are rejected are less important dimensions for the managers' individual innovative behaviour tendencies just because the regression analysis did not find out any effect on the non-financial performance. They still keep their importance on the subject and the hotel managers might appreciate these dimensions in their innovative behavior tendencies as the innovation represents itself such a way in the hospitality sector in the coming years.

Business innovation was examined through the headings of customer focused and innovation focused. Table 7 indicates a significant effect with the hypothesized direction in H5 that was hypothesized as "Customer focused" dimension of Business Innovation has a positive and significant effect on the non-financial business performance ($\beta=-0,345$ and $p < 0,004$). The other hypothesis (H6: Innovation focused) was rejected as it did not produce any significant effect through the regression analysis. The finding of H5 named as "customer focused" of the business innovation is consistent with the works of Naktiyok (2003) and Salomo (2006). This shows how important it is to be close to the customers for the city hotels in Ankara. However, "innovation focused dimension" should not be ignored just because it did not produce any effect on the non-financial business performance. The dimension of "innovation focused" of the business innovation supports the dimension of "customer focused" in satisfying the hotels' customers and results leading the hotels to have a better business performance.

The study further looked at the relationship between managers' individual innovative behaviour tendencies and business innovation. The study revealed that there was a significant

and positive relationship between them. Therefore, H7 was accepted. This finding is also consistent with the works of Atuahene-Gima (1996), Damanpour (1996) and De Jong et al. (2003).

To conclude, the study produced statistically three significant and main findings. These three main findings are (1) “Resistance to change” dimension of managers’ individual innovative behavioral tendencies has a significant and negative effect on the non-financial business performance; (2) “Customer focused” dimension of business innovation has a significant and positive effect on the non-financial business performance; and (3) There is a significant and positive relationship between managers’ individual innovative behavioral tendencies and business innovation. However, what should be clearly understood from this study that the rest of the hypotheses (H2, H3, H4, H6) would not mean less important or ignored by the general managers in the hospitality sector.

A. MANAGERIAL IMPLICATIONS

Innovation covering both managers’ individual innovative behaviour tendencies and business innovation has become a buzz word in the hospitality sector. Therefore, this study especially contributes toward the understanding of the hotel managers that the “resistance to change” behavior affects negatively on the non-financial business performance. Thus, this finding of the study should receive an important attention in the innovation activities at the hotels. The study further adds more emphasize on the “customer orientation” within the context of the hotel business innovation. This finding should be well understood by the hotel managers that without a customer orientation approach to business innovation would not be successful in their organizations. This is because there is a significant and strong relationship between the hotel managers’ individual innovative behaviour tendencies and business innovation. Thus, the success of the innovative operations at the hotels depends upon both approaches implemented at the hotels at the same time.

B. LIMITATIONS OF THE RESEARCH

The main limitation of the study is its sample, which was restricted to the city hotels in Ankara. The future studies should cover both the city and resort hotels in Turkey as well as the other countries similar to Turkey e.g. Greece, Spain. The other limitation is that the study only covered the five star hotels in the capital of Turkey. The next study should include the rest of the hotels ranging from 1-star to 4-star hotels in Ankara as well as across Turkey.

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