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UNIVERSITY**



**GEBZE INSTITUTE
OF TEKNOLOJY**



**CANAKKALE ONSEKİZ
MART UNIVERSITY**



**T.R. PRIME MINISTRY STATE
PLANNING ORGANIZATION**

6th INTERNATIONAL STRATEGIC MANAGEMENT CONFERENCE

“Searching For Strategies Out Of The Global Recession”



**The Proceedings of 6th International
Strategic Management Conference**

**July 8-10, 2010
St. Petersburg, Russia**

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STRATEGIC INTENT, ORGANIZATIONAL AMBIDEXTERITY AND PERFORMANCE: A TEST OF THE MODERATING ROLE OF PERCEIVED ENVIRONMENTAL UNCERTAINTY

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ABSTRACT

In global hospitality and tourism industry, hotel businesses endeavour more to develop a competitive strategic intent than businesses in other sectors. It is believe that strategic intent plays a considerable role in the formulation and implementation of hotel strategies and in determining performance, but its influence has tended to be neglected in the hospitality management literature. The purpose of this study is to analyze the moderating role of perceived environmental uncertainty in determining the effects of strategic intent and organizational ambidexterity on firm performance for hotel businesses. The results of research indicate that strategic intent and organizational ambidexterity were significantly correlated with firm performance. According to the findings of regression analysis, strategic intent had a positive effect on firm performance. However, organizational ambidexterity had a positive but non-significant effect on firm performance. The findings of this study show that perceived environmental uncertainty moderated the relation between strategic intent and firm performance. Practical implications and directions for the future research were discussed.

Keywords : Perceived environmental uncertainty, Strategic intent, Organizational ambidexterity and Performance

INTRODUCTION

The key strategic consideration for hotel businesses is to leverage internal competencies and manage uncertainties in the decision whether or not to collaborate with other hotels in national and international markets. It is expected that in today's turbulent environment, hotel businesses which are capable of developing national and international networking ties to cope with environmental uncertainty, are likely to attain greater success in service and enjoy better performance. In that, environmental analysis is considered an important step in the strategic management process for hotel businesses. If hotel businesses wish to build, sustain or improve their competitive position, they must have the ability to cope with uncertainty in their environment.

So far, few researches have been done on how hotel business managers perceive today's dynamic environment (Harrington and Kendall, 2007). Moreover, little is known about the strategic behavior of hotel businesses in reaction to environmental uncertainty. Particularly, it is likely that in a competitive and uncertain environment, strategic intent and organizational ambidexterity contribute more to an increase in performance than in a less uncertain environment.

In this research therefore it examines the effects of strategic intent and organizational ambidexterity on firm performance for hotel businesses in a turbulent environment.

Perceived Environmental Uncertainty

The concept of environmental uncertainty has been widely discussed in strategic management literature (Milliken, 1987; Brouthers et al. 2002; Frecl, 2005). Milliken (1987) defined environmental uncertainty as 'the perceived inability of an organization's key manager or managers accurately assess to the external environment of the organization or the future changes that might occur in that environment'. In other words, Tsamenyi and Mills (2003: 22) defined environmental uncertainty as 'unpredictability in the actions of customers, suppliers, competitors and regulatory groups that comprise the external environment of the business unit'.

Shortly, environmental uncertainty is explained as 'the difficulty in making accurate predictions about the future' (Sahadev, 2008: 183).

Perceived environmental uncertainty (PEU) occurs when decision-makers perceive the environment of their organization as unpredictable (Ondersteijn et al. 2006). PEU can be divided into two kinds of uncertainty: environmental uncertainty and behavioral uncertainty. Environmental uncertainty refers to changes in the external environment that are exogenous and largely unaffected by the business' actions. The changes in the external environment resulted from developments in technology, competition, regulations and other external factors that shift the conditions in which decisions are made. Behavioral uncertainty refers to the inability of managers to predict the actions and plans of potential partners or members within the business. Behavioral uncertainty arises from opportunism and is presented when firms depend on or share decisions with others (Akhter and Robles, 2006: 106).

PEU is usually conceptualized as a multidimensional construct including environmental volatility, environmental munificence, competitive intensity, market turbulence, and environmental hostility (Jekanyika Matanda and Freeman, 2009: 92). PEU results from the inability of individual managers to predict changes in the environment (resulting from changes in technology, markets, and income volatility), due to lack of knowledge necessary to distinguish data needed for decision-making. When environmental uncertainty increases, various types of inter-functional expertise are required, as more diverse skills and knowledge are required to develop solutions and to remain competitive (Jekanyika Matanda and Freeman, 2009: 91). Thus, management consultants use strategic intent and strategic ambidexterity as tools to overcome barriers, manage uncertainty and build competitive advantage in periods of rapid change in global markets.

Perceptions of high levels of environmental uncertainty may lead to a lack of interest in investing for the long term sustainability of the relationship. This may result in greater levels of opportunism and lack of trust (Sahadev, 2008: 183). Environmental uncertainty can be managed as long as firms have the requisite resources. Only those organizations with limited adaptive capacity or resources are negatively affected by environmental uncertainty.

A few researches have identified that perceived environmental uncertainty may a critical determinant of strategic ambidexterity and strategic intent. Moreover, most of previous studies have examined its effect on manufacturing firms. So, in highly uncertain environments where conditions change rapidly, strategic ambidexterity and strategic intent are needed for business' success.

Previous studies stated that the uncertainty of the environment could influence firm performance (Parnell et al. 2000; Bacha, 2010: 30). However, Tsamenyi and Mills (2003) investigated the relationship of perceived environmental uncertainty and organizational culture on budget participation and managerial performance in Ghana. The results found limited support for the hypothesis that environmental factors influence firm performance. Similarly, Choe (2003) argued the effect of environmental uncertainty and strategic applications of IS on firm performance. An excessively low level of strategic applications were decreased a firm' performance in stable environment. However, there are limited numbers of studies on the relations of perceived environmental uncertainty and firm performance for hotel businesses in Turkey.

Strategic Intent

Strategic intent as something different from strategic management is an important distinction for describing the behaviors of firms in an uncertain environment. Strategic management emphasizes mainly the general processes of decision-making in strategy formation. Strategic intent provides direction to these processes. This direction of intent specifically regards a given firm's focus on leveraging resources in its pursuit of strategic advantage over its competitors (Chambers, 1991: 30).

Strategic intent is a useful concept in accounting for purposes and continuity of goals in an organization adapting to internal and external developmental pressures. The managerial role of strategic intent is to go beyond environment-sensitive strategic planning to represent objectives "for which one cannot plan" (Mantere and Silince, 2007: 406-407). Managers should develop a long term 'strategic intent' and 'compete for the future' by becoming 'rule breakers' instead of 'rule takers' (Stoelhorst and Van Raaij, 2004: 467).

Strategic intent is defined as the planned direction and destiny to be pursued by the firm (Landrum, 2008: 127). In other words, strategic intent can be defined as "a [sustained] obsession with winning at all levels of the organization". Strategic intent represents a proactive mode in strategizing, a symbol of the organization's will about the future, which energizes all organizational levels for a collective purpose. Strategic intent reflects the 'corporate context' in which bottom-up business ideas are weighed. It directs the accumulation of necessary competences, giving the intra-organizational evaluation processes a common target, "something to 'aim' for" (Mantere and Silince, 2007: 407).

Strategic intent is crucial for a firm to achieve goals which one cannot be planned. It is important to separate that orientation (strategic intent) from strategic planning or strategies (Mantere and Silince, 2007: 408-409). Strategic intent also includes an active management process to focus the entire organization on the essence of winning (Rui and Yip, 2008: 216), but it is also stable over time while allowing reinterpretation as new opportunities emerge. Similarly, it helps to set a target that deserves personal commitment and effort. Strategic intent allows for a firm to build layers of competitive advantage painstakingly, to accomplish long-term goals. From strategic intent to core competences, firms have been forced by dynamic and intense competitive pressures to re-evaluate almost every aspect of their approach to conduct business.

Strategic intent envisions a desired leadership position and establishes the criterion that the organization will use to chart its progress. Komatsu set out to 'Encircle Caterpillar'. Canon sought to 'Beat Xerox'. Honda strove to become a second Ford—an automotive pioneer. All are expressions of strategic intent (Smith, 1994: 67).

A vision is defined as a set of desired goals and activities. It has connotations of encouraging strong corporate values in the strategy process and so is similar to strategic intent in its emotional effects (Mantere and Silince, 2007: 408-409). It also allows the firm's stakeholders to coordinate their activities to maximize firm value as established by the firm's strategic intent (Beasley et al. 2009: 87). The most striking difference between visions and strategic intents is the degree of collectivity, as many authors ascribe strategic intent as a phenomenon diffused at multiple organizational levels, while vision is a more clearly top management leadership tool, often ascribed to a single visionary leader (Mantere and Silince, 2007: 408-409). Strategic intent implies a particular point of view about the long-term market or competitive position that a firm hopes to build over the coming decade or so. Hence it conveys *a sense of direction*. A strategic intent is differentiated; it implies a competitively unique point of view about the future. It holds out to employees the promise of exploring new competitive territory. Hence, it conveys *a sense of discovery*. Strategic intent has an emotional edge to it; it is a goal that employees perceive as inherently worthwhile. Hence it implies *a sense of destiny*. The three concepts (direction, discovery and destiny) are the attributes of strategic intent (O'Shannassy, 1999: 17-18).

Unlike an organization's mission, which relates to the organization's values, core purpose and current strategies, strategic intent is about the future outcomes. It is the 'obsession with winning at all levels of the organization', but is greater than solely obsession – it 'captures the essence of winning', is 'stable over time'

and sets a target that 'deserves personal effort and commitment', motivating managers and employees throughout the organization (Haugstetter and Cahoon, 2010: 31).

A fundamental expectation is that the firm's strategic intent should drive both architecture and business performance (Fawcett et al. 1997: 411). To enhance the customers' prospects for competitive success, firms cannot expect to select appropriate strategic capabilities that will lead to their own long-term competitiveness. Thus, strategic intent guides the firm in its efforts to develop and utilize key resources to achieve desired objectives within uncertain and dynamic environment. However, the researches relevant to the effects of strategic intent and performance are limited in hotel businesses.

Organizational Ambidexterity

Organizational ambidexterity has emerged as a new research paradigm in strategic management theory, yet several issues fundamental to this debate remain controversial.

Ambidexterity is usually defined as the ability of individuals to use both of their hands with equal skill; individuals who are neither "right-handed" nor "left handed." Moreover, ambidexterity refers to how an organization "wears the hat" of the job it does today while at the same time "wearing the hat" of the job it will do tomorrow (Bodwell and Chermack, 2009: 4).

Organizational ambidexterity is a dynamic capability that creates valuable new configurations of exploratory and exploitative innovation by generating and connecting previously unconnected ideas and knowledge or recombining previously connected knowledge in new ways (Jansen et al. 2009).

Achieving ambidexterity creates paradoxical situations because the short-term efficiency and the control focus of exploitative units are at odds with the long-term experimental focus and decentralized architectures of exploratory units. When differentiating exploratory and exploitative efforts, organizations subsequently need to establish certain integration mechanisms to coordinate and integrate operational capabilities developed at spatially dispersed locations. Hence, to resolve these paradoxical situations, the mobilization, integration, and deployment of operational capabilities at exploratory and exploitative units are a necessary step in appropriating value and achieving ambidexterity (Jansen et al. 2009: 797-811).

Exploration is about search, discovery, autonomy, innovation, embracing variation (O'Reilly III and Tushman, 2008: 189), risk taking, flexibility. Instead of creating reliability, these practices are aimed at the creation of variety. Finding new ways to deal with changing technologies, emerging markets or altered demand require flexibility of organizational routines (Van Olffen, 2006: 6). Exploratory is activities aimed at expanding the organization's competences beyond its current range by the development of new products or services or by meeting demands of emerging markets or customers. That is, discussion of this strategic orientation usually focuses on issues such as developing innovative products, discovering new technologies, and finding untapped markets. These activities require knowledge that deviates from what is already known (Van Olffen, 2006: 7). The key idea is that by maintaining loose linkages, firms can remain flexible and adapt to a dynamic environment, as well as seize opportunities or avoid distant threats that lie on the market's periphery (Judge and Blocker, 2008: 918).

Exploitation is about efficiency, increasing productivity, control, certainty, variance reduction (O'Reilly III and Tushman, 2008: 189), execution and implementation. Exploitation enable organizations to focus on their current competences refine their capabilities and leverage the advantages they have. Through exploitation organizations become more capable of and more efficient in their existing practices, but they may also engage in activities oriented at discovering new, deviating practices (Van Olffen, 2006: 6). Through these activities it is aimed at improving efficiency and refinement of skills and build upon the knowledge and competences already present in the organization (Van Olffen, 2006: 7).

Organizational ambidexterity is about doing both (O'Reilly III and Tushman, 2008: 189). Combining exploration and exploitation not only helps organizations to overcome structural inertia that results from

focusing on exploitation, but also refrains them from accelerating exploration without gaining benefits (Jansen et al. 2009: 797-811). Successful organizations maintain an appropriate balance between exploration and exploitation in the face of scarce resources and limited management attention (Venkatraman et al. 2007: 5).

Organizational ambidexterity as a dynamic capability is not itself a source of competitive advantage but facilitates new resource configurations that can offer a competitive advantage (O'Reilly III and Tushman, 2007: 31). Gibson and Birkinshaw (2004) identified a decentralized structure, a common culture and vision, supportive leaders and flexible managers, worker training and trust in relationships with management as the key sources of ambidexterity. Exploring and exploiting at the same time requires that senior management articulates a vision and strategic intent that justifies the ambidextrous form (O'Reilly III and Tushman, 2008: 189-192).

Organizational ambidexterity should be a key driver of business unit performance over the long term. To support these arguments, some studies have suggested that the combination of exploration and exploitation is associated with longer survival, higher sales growth, better financial performance, higher profits and revenue, lower costs in the delivery of products and services, higher customer satisfaction, improved learning and innovation (He and Wong, 2004; Van Olffen, 2006; Venkatraman et al. 2007; O'Reilly III and Tushman, 2007; Sarkees, 2007; Judge and Blocker, 2008). Further, the performance of existing products was higher in ambidextrous organizations (O'Reilly III and Tushman, 2007).

Judge and Blocker (2008) investigated the relationship between organizational capacity for change and strategic ambidexterity. The results showed that a relatively new dynamic capability, organizational capacity for change, is the primary antecedent of strategic ambidexterity and that this relationship is moderated by environmental uncertainty and organizational slack.

Firm Performance

Firm performance has become an important component of empirical research in the field of strategic management. Firm performance, or effectiveness, is a multifaceted phenomenon that is difficult to comprehend and measure (Snow and Hrebiniak, 1980: 318).

The goal approach seeks a definition based upon explicit goals or goals which can be implied from the behaviour of organizational members. The systems resource approach provides a framework to assess firm performance in terms of the key internal and external factors upon which the organization's survival depends on. The constituency approach views the organization as existing to benefit numerous 'constituencies', both internal and external to the organization, with firm performance assessment focused on fulfillment of constituent needs (Dess and Robinson, Jr., 1984: 273).

Generally, the term "performance" brings to the forefront measurements such as costs, profitability, sales growth, capacity utilization, and market share (Avci et al. 2010: 1-3; Leskiewicz Sandvik and Sandvik, 2003: 359). However, performance should not be treated only as a financial concept. Thus, it is suggested that particularly in the service sector, non-financial performance should receive serious consideration so that managers can survey performance in several areas simultaneously to enable efficient strategic decision-making. In addition, some management experts recommend the use of non-financial performance measures based on the fact that hotel businesses are labor intensive and customer-oriented in uncertain environment (Avci et al. 2010: 1-3).

Strategic intent and organizational ambidexterity can lead to superior resources and capabilities becoming positional advantages, which in turn leads to better organizational performance. But little empirical research actually demonstrated the correlation between strategic orientation and firm performance in hotel businesses. Choe (2003) argued the effect of environmental uncertainty and strategic applications of IS on firm performance. He showed that an excessively low level of strategic applications decreased firm performance.

in stable environment. Similarly, Venkatraman et al. (2007) undertook the impact of strategic ambidexterity on sales growth. They found that sequential ambidexterity significantly predicted sales growth as main effect, as well as jointly with a set of contingency effects. On the other hand, Avci et al. (2010) discussed the relationship between strategic orientation and performance for tourism firms. The results showed that there was a difference in both financial and non-financial performance based on the strategic orientations followed by tourism firms. Generally, prospectors were found to outperform defenders, whereas analyzers showed a comparable performance to prospectors. But in hotel businesses, the studies associated with strategic intent and firm performance are rather few in number.

Therefore, the research objective of this study is to analyze the moderating role of perceived environmental uncertainty in determining the effects of strategic intent and organizational ambidexterity on firm performance for hotel businesses.

In the light of these findings, the hypotheses have been developed as follows:

H1: Strategic intent is positively related to firm performance.

H2: Organizational ambidexterity is positively related to firm performance.

H3: Perceived environmental uncertainty is negatively related to firm performance.

H4: Perceived environmental uncertainty will moderate the relationship between strategic intent and firm performance.

H5: Perceived environmental uncertainty will moderate the relationship between organizational ambidexterity and firm performance

-Figure 1 about here-

METHODOLOGY

To test the hypotheses developed in the study, data was collected from hotel managers in the province of Nevsehir in Turkey. That is, the sampling consists of managers in hotel businesses licensed by the Tourism Ministry in the Cappadocia Region, Turkey. Questionnaires were distributed to hotel businesses by the interviewers. The questionnaires were sent to all 208 subjects in the sample. 76 questionnaires were returned resulting in a satisfactory response rate of 36.5%.

Firm performance was designated as the dependent variable in this study while strategic intent and organizational ambidexterity were considered as the independent variables. Besides, perceived environmental uncertainty was used as a moderator variable in the relationships between dependent and independent variables.

Environmental uncertainty has been considered as an important variable in the strategic management literature. Environmental uncertainty was measured using the scale adopted by Jekanyika Matanda and Freeman (2009). The scale includes a set of 14 statements that describe together the various dimensions of environmental uncertainty (1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree). This scale is reliable (0.92). Notably, the coefficient alpha is larger than 0.70, the threshold generally proposed in the literature (Hair et al., 2006) for the constructs.

Strategic intent was measured with six-item Likert-like scale ranging from 1 "not at all flexible" to 5 "very flexible", taken from the works of Hamel and Prahalad (1989), Lado (1992), and Wonglimpiyarat (2005). The instrument had reliability (Cronbach's alpha) of 0.96.

Many studies were used to design a scale of organizational ambidexterity (Gibson and Birkinshaw, 2004; He and Wong, 2004; Jansen et al. 2006). It consisted of 12 items, scored on a 5-point Likert scale with an

agree/disagree continuum (1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree). It was used a two-step approach to measure organizational ambidexterity. First, organizational ambidexterity was classified in terms of the dimensions of exploration and exploitation. Second, the multiplicative interaction between exploration and exploitation as a measure of ambidexterity was computed by considering the studies of Nemanich and Vera (2009). The 12-items organizational ambidexterity instrument had reliability (Cronbach's alpha) of 0.88.

As to firm performance, four items the financial performance scale and four items non-financial performance scale adopted from Avci et al. (2010) were used. All performance items assessed the average level of firm performances within the preceding three years, using five-point scales anchored at much worse than competition (=1) and much better than competition (=5). Then, the scale reliability was evaluated by calculating Cronbach's alpha. The coefficient was 0.79 for firm performance.

THE RESULTS

The sample consisted of 76 respondents including 12 CEO, 34 department manager, and 30 division manager. 59.2 percent of the respondents were married and 40.8 percent were single. The male/female ratio of the sample was 63.2% and 36.8%, respectively, and the age ranged from 26 to 40. The executives had a mean age of 35.25 years (standard deviation = 6,65) and a mean hotel tenure of 12.48 years (s.d. = 7,26). 61.8% of those responding had more than 10 years of job experience.

In terms of education levels, 7.9% of participants had graduated from primary school, 30.3% from secondary school and 21.1% from high school. 32.9 % of the participants had a bachelor's degree and 7.9% had a master's degree or higher. Moreover, the executives were employing in a wide range of departments covering front-offices (30.3 percent), storey services (17.1 percent), food and beverage (15.8 percent), accounting (14.5 percent), sales & marketing (17.1 percent) and technical (4.0 percent) in these hotels.

The hotels which responded to the survey included personal hotels (75.0%), hired hotels (3.9%) and franchise hotels (21.1%). The hotels were categorized into three groups, five-star (21.1%), four-star (44.4%) and private hotels licensed by the Tourism Ministry (34%). 65.8% of these hotels had 100 and more room capacity. Respondents included owners (42.1%) and professional managers (57.9%).

Means, standard deviations, correlations and reliabilities of the variables in the study are presented in Table 1. Pearson correlation analysis of the variables extracted and the results indicate that strategic intent ($r=0,551$, $p< 0.01$) and organizational ambidexterity ($r=0,370$, $p< 0.01$) were significantly correlated with firm performance. This provides support for hypotheses **H1** and **H2**. However, perceived environmental uncertainty was found to be negatively and significantly correlated with firm performance ($r= 0,490$, $p< 0.01$). **H3** was supported by the results.

-Table 1 about here-

This study proposed a research framework to test the relationships among the constructs based on perceived environmental uncertainty. Moderated regression analysis was used to determine whether or not perceived environmental uncertainty had a moderator effect on the relationships between strategic intent, organizational ambidexterity and performance. This procedure involved the comparison of three regression models.

Table 2 presents the results of the regression analyses for this study. To examine multicollinearity, we calculated variance inflation factors (VIFs) for each of the regression equations. The maximum VIF within the models was 1.54, which is well below the rule-of-thumb cutoff of 10 (Şimşek et al. 2009). The lowest tolerance value was 0.648, which is far from the common cut-off threshold value of 0.10 (Hair et al. 2006).

-Table 2 about here-

To assess the effect of strategic intent and organizational ambidexterity on performance, a three-step procedure was followed. The baseline model (Model 1) contains the control variables. Model 2 includes the main effect of strategic intent and organizational ambidexterity on firm performance for hotel businesses. Model 3 adds perceived environmental uncertainty as a moderator.

In Model 1, control variables were entered in the analysis. The results in Table 2 suggest that the overall model was insignificant ($R^2=0.039$; $F_{(4,71)} = 0,715$; $p>0.01$). That means that only 3.9% of the variance in firm performance was explained by the control variables.

In Model 2, strategic intent, organizational ambidexterity and perceived environmental uncertainty were entered in the analysis. Model 2 was statistically significant for firm performance ($R^2=0.417$; $F_{(7,68)} = 6,959$; $p<0.01$). As shown in Model 2, the regression coefficients representing the main effects of strategic intent on firm performance are positive and significant ($\beta= 0.320$; $p< 0.01$). That is, strategic intent had a positive effect on firm performance. However, perceived environmental uncertainty was negatively related to firm performance ($\beta= -0.162$; $p< 0.05$). Moreover, organizational ambidexterity had a positive but non-significant effect on firm performance ($\beta= 0.025$; $p> 0.01$). Finally, in model 2, strategic intent, organizational ambidexterity and perceived environmental uncertainty explained additional 37.9 percent of the variance in firm performance.

In Model 3, the interaction effects of independent variables and moderator on firm performance were analyzed. The results showed that Model 3 was significant ($R^2=0.455$; $F_{(9,66)}=6,112$; $p<0.01$). As shown in Model 3, the interaction of strategic intent and perceived environmental uncertainty was negative and significant on firm performance ($\beta= -0.171$; $p< 0.01$), providing support for H4. Perceived environmental uncertainty moderated the relation between strategic intent and firm performance. However, the relationship between organizational ambidexterity and performance became insignificant when moderating variable was added ($\beta= -0.003$; $p > 0.01$). Thus, H5 was not supported. Shortly, perceived environmental uncertainty did not moderate the relationship between organizational ambidexterity and firm performance. The interaction term explained additional 3.7 percent of the variance in firm performance.

CONCLUSION

Through the findings of this study, we contribute to a greater clarity and better understanding of how hotel businesses may effectively pursue exploration and exploitation simultaneously to achieve ambidexterity. Particularly, development of strategic intent scale in the study provides possibly a quite influential finding for the strategic management discipline and a foundation for the future researches.

The originality of this study lies in the fact that it provides an actionable focus on strategic intent and organizational ambidexterity for the hotels managers in their pursuit of a competitive advantage. We conclude that the long-term success of hotel businesses in competitive markets is essentially determined by its strategic intent and organizational ambidexterity. However, it is important to recognize that perceived environmental uncertainty is a predictor of firm performance. Therefore hotel businesses must constantly strive to develop and maintain their core competences in uncertain environments.

The results indicated that strategic intent and organizational ambidexterity were significantly correlated with firm performance. However, perceived environmental uncertainty was found to be negatively and significantly correlated with firm performance. These results are consistent with many studies (He and Wong, 2004; Van Olffen, 2006; Venkatraman et al. 2007; O'Reilly III and Tushman, 2007; Sarkees, 2007; Avci et al. 2010).

According to the results of regression analysis, strategic intent had a positive effect on firm performance. However, organizational ambidexterity had a positive but non-significant effect on firm performance. In this

study, the differences we found are surprising. In contrast to the studies of Tsamenyi and Mills (2003) and Choe (2003), the findings of this study show that perceived environmental uncertainty moderated the relation between strategic intent and firm performance. Shortly, perceived environmental uncertainty is a relevant moderator in the context of the proposed model. Consequently, hotel managers should be used strategic intent and organizational ambidexterity as a tool to manage uncertainty and build competitive advantage in crisis periods. But when organizations effectively do not perceive environmental uncertainty, it is observed that strategic intent and organizational ambidexterity had a limited effect on firm performance. Namely, environmental uncertainty can be managed as long as hotel businesses have the requisite resources. Only hotel businesses with limited adaptive capacity or resources are negatively affected by environmental uncertainty. Furthermore, hotel businesses were not maintained an appropriate balance between exploration and exploitation in the face of scarce resources and limited management attention for this sampling. Thus, organizational ambidexterity did not a positive effect on firm performance.

As with any research, some limitations should be taken into consideration in generalizing the results of this study. First, although the sampling method used in this study was adequately suited to its purpose, the generalizability could be enhanced if future research systematically sampled from more diverse industries. Because, this study has been conducted in hotel businesses in a single-city setting (Nevşehir). Second, we developed on a new scale to assess strategic intent. The reliability of the scale used at the research has not been proven in many different settings/countries. As with any new measure; further tests in additional samples would help to establish our confidence in it.

The scope of this study includes the effects of strategic intent and organizational ambidexterity on performance for hotel businesses. Future research is needed to determine whether transformational leadership and strategic intent influence ambidexterity positively or negatively. Also, it is available to investigate the effect of the strategic posture and organizational ambidexterity on employee satisfaction in different industries.

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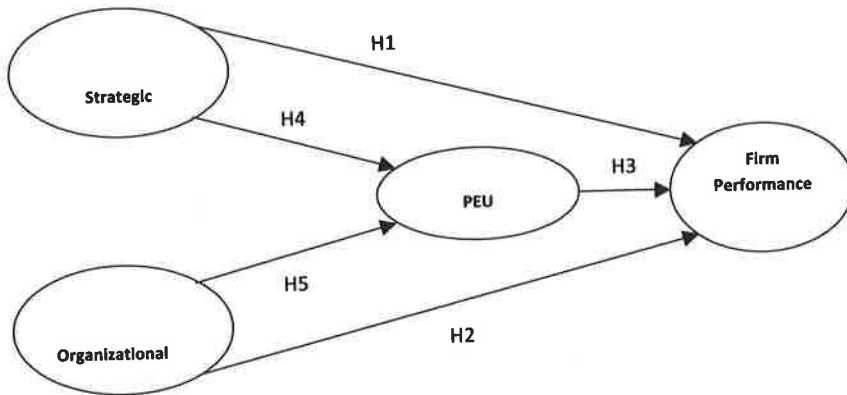


Figure 1: Research Model

Table 1: Descriptive statistics and intercorrelations among study variables

Variables	Mean	Std. Deviation	1	2	3	4	5	6
1. Organizational Ambidexterity	16,30	4,52	(0.88)					
2. Exploration	3,93	0,75	,904(**)	(0.89)				
3. Exploitation	4,09	0,56	,790(**)	,473(**)	(0.82)			
4. Strategic Intent	3,74	0,92	,241(*)	,230(*)	,220	(0.96)		
5. PEU	3,06	0,89	-,325(**)	-,327(**)	-,217	-,214	(0.92)	
6. Firm Performance	3,66	0,65	,370(**)	,392(**)	,218	,551(**)	-,375(**)	(0.79)

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Table 2: The Results of Regression Analyses: The Effects of Strategic Intent and Organizational Ambidexterity on Firm Performance

Independent variables entered	β	S.E.	t-value	R ²	R ² Change
Model 1 F(4-71)= 0,715				0.039	
Gender	,028	,182	,153		
Marital status	,050	,190	,265		
Education	,091	,068	1,335		
Job experience	-,066	,108	-,610		
Model 2 F(7-68)= 6,959				0.417	0.379
Organizational ambidexterity	,025	,015	1,652		
Strategic intent	,320	,069	4,624**		
PEU	-,162	,073	-2,231*		
Model 3 F(9-66)= 6,112				0.455	0.037
Organizational ambidexterity* PEU	,003	,013	,253		
Strategic Intent * PEU	-,171	,081	-2,106*		
Notes: β indicates unstandardized regression coefficient. *p< 0.05; **p< 0.01					
Dependent variable: Firm Performance					