

Optimizing Organisational Performance: A Comprehensive Analysis of the Impact of Supply Chain Management Practices in Hospitality Sector of Saudi Arabia

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Abstract

This study explores the crucial relationship between organizational performance and supply chain management strategies in Saudi Arabia's hotel industry. A thorough investigation was carried out, with 200 people in various hospitality-related roles serving as the sample, out of which 192 final responses were considered which were complete in all aspects. The research sought to clarify the complex relationships between supply chain management strategies and the overall performance of businesses in this fast-paced industry through surveys, interviews, and data analysis. The results definitely confirm how important supply chain management techniques are in influencing the corporate environment. The benefits of customer orientation, goal congruence, information sharing, technology integration, supplier management, logistics, transportation, inventory, and warehouse management were widely recognized by professionals in Saudi Arabia's hotel industry. The study shows that operational effectiveness, financial stability, and customer happiness are all positively impacted by a comprehensive and well-coordinated supply chain. The ramifications of this research are significant, particularly given the ongoing growth of the hospitality business in Saudi Arabia. A key factor in success is the strategic alignment of supply chain operations, which offers a road map for businesses looking to gain a competitive edge and experience long-term growth. This study not only adds significant knowledge to the literature but also provides practitioners with practical recommendations for improving their supply chain strategies for improved organizational performance in Saudi Arabia's rapidly developing hospitality sector.

Keywords: *Organisational performance, Resource efficiency, Innovation, Logistics, Hospitality sector, Sustainability, Supply chain management practices.*

Introduction

The tourism and the hospitality sectors are of great importance in many economies around the world (Thomas-Francois et al., 2017). They are also considered the backbone of the economy of many countries (Gautam, 2021), contribute significantly to the GDP of countries (Tarigan et al., 2020), and work is underway to develop comprehensive medium- and long-term policies to develop tourism activities (Farinha et al., 2021). This industry has witnessed wide growth as a result of the increasing levels of globalization and urbanization in the world (Prakash et al., 2023), which has been reflected in the influx of tourists and the increase in their number.

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All hotel businesses, no matter how big or little, have to concentrate on finding cost-effective ways to provide goods and services. Many hotels are compelled to reduce expenses in their operations by taking more daring and noticeable steps, given the labor-intensive nature of the industry (Dzambazovski & Metodijeski, 2020). It should come as no surprise that a large portion of these cost-cutting initiatives have been directed towards payroll and other expenses related to employees, such as hiring freezes, cutbacks in employee benefits, bonuses, and salary reductions (Goldstein, 2012).

The logistics and supply chain operations of the hotel business are one sector that is frequently overlooked in attempts to reduce costs. Hotels and other service companies can employ supply chain and logistics management tactics to enhance the value of their properties, even if they are regarded as operations management techniques in these sectors. A crucial component of the hotel and catering industries is the supply chain.

Companies today face greater complexity and competition than they did in the past (Ramadan, 2023). In the current competitive business landscape, businesses are placing a strong emphasis on offering greater value to their clients. Most companies want to outperform their rivals by offering superior services and goods. As the market expands from a domestic to a global one, consumer needs also rise. Shorter product life cycles, quick new product launches, and increasingly intelligent, well-informed, and sophisticated customers are the hallmarks of modern business, and they have compelled companies to make investments in and pay close attention to their supply chains. This has spurred the ongoing expansion of the supply chain and the methods for efficiently managing it, along with ongoing advancements in communications technology (such as Internet, mobile, and overnight delivery). The goal of the supply chain's evolution is to boost channel partners' cooperation and connectivity while simultaneously improving customer response, efficiency, and ability to deliver value to customers. These days, supply chains to supply chains are competing with one another more than firms to companies; this is a highly competitive environment for businesses. Supply chain performance now has a significant impact on both the final consumer and corporate performance in the marketplace. The most successful innovators saw the supply chain as a strategic weapon for altering the laws of the game. Supply chain management has grown in importance as a research topic in both academia and business. A standard supply chain consists of obtaining raw materials, producing goods at one or more factories, shipping the finished goods to warehouses for temporary storage, and finally shipping the goods to merchants or consumers (Soesilo, 2023). Hence, efficient supply chain strategies need to consider at each level of the supply chain in order to save costs and raise service standards. The collection of value-adding operations that link a company's suppliers and customers is known as a supply chain. It includes several organisations, as well as the final customer and those that are upstream (such as supply and downstream, or distribution). Supply chain management is still in use in both industrial and service organisations, despite the fact that the complexity of the network varies greatly between companies and industries (Kaur et al., 2023). Companies were able to address customer needs across more channels, at a lower cost, and with greater speed thanks to successful efforts. Better, more dependable products also made it to market sooner. According to (Vonderembse et al., 2006), in order to satisfy customer needs, successful organisations will need to have greater insight into their supply chains and improve their ability to work with suppliers. Suppliers will be expected to operate at a higher level than before and respond swiftly to changes in the business environment. As a result, in order to reach optimal performance levels, supply chain professionals must recognise consumer wants and choose and implement the best supply chain plan to meet those needs (Kaur et al., 2022). Keith Oliver coined the phrase "supply chain management" and made it widely known in 1982. When numerous books and articles on the topic were published in the mid-1990s, the term began to gain popularity. The majority of research conducted in the early 1990s focused on supply chain definition. In order to distinguish supply chain management (SCM) from other, more conventional methods and terms (like logistics) and

from the management of the material flow and related information flow, academics originally defined SCM from a theoretical perspective (Cooper et al., 1997). Planning, designing, and regulating the flow of goods, information, and funds throughout the supply chain is the goal of supply chain management, which aims to provide the end user with the best possible value (Singh et al., 2023). The field of supply chain management (SCM) is relatively new and it lacks the theoretical conceptual framework of an established or widely acknowledged methodology. Still, a good deal of the underlying ideas is several decades old. As the idea has grown in prominence over the past few years, academics, researchers, and business professionals have provided numerous definitions of supply chain management. Supply chain management is "an unify philosophy to manage the total flow of a distribution channel from supplier to ultimate customer," according to (Boskabadi et al., 2022). In order to enhance the flow of goods, services, and information from original suppliers to final customers, supply chain management is defined as "the integration of key business processes among a network of interdependent suppliers, manufacturers, distribution centres, and retailers, with the objectives of reducing system-wide costs while maintaining required service levels" (Singh et al., 2013). Supply chain management is "the integration of key business processes from end-user through original suppliers, that provides products, services, and information that adds value for customers and other stakeholders," according to the Global Supply Chain Forum (GSCF)."

Review of Literature

“According to Guo & He (2012), tourism goods are seen as value-added chains comprising various service components that are the outcome of intricate interactions between several stakeholders. The Tourism Supply Chain (TSC), as defined by (Zhang et al., 2009), is a network of tourism organisations involved in a variety of activities, from the provision of various travel-related products and services, like airfare and lodging, to the distribution and marketing of the final travel product at a particular travel destination. The TSC encompasses a broad spectrum of participants from both the public and private sectors.

Achieving and sustaining competitiveness for the entire supply chain and its individual agents requires effective upstream and downstream relationship management and coordination within the chain, taking into account the goals of the various organisations (Monczka et al., 1998; Chen et al., 2001; Tapper & Font, 2004; Christopher, 2022). This suggests that both homogeneous and heterogeneous tourism agents have two-party connections. Hotels and tour operators are examples of heterogeneous players with non-overlapping competences that illustrate vertical linkages. The term "horizontal cooperation," sometimes known as "coopetition," refers to the development of cooperative relationships between businesses operating at the same level of production, such as hotels (Chathoth & Olsen, 2003).

Early studies have highlighted arm's length relationships as the customary form of communication. This method involves both parties acting in their own best interests and making judgements without taking the other party's actions into account (Hoyt & Huq, 2000; Zhang et al., 2009). However, shifting away from connections at arms' length and towards coordination and collaboration amongst organisations through a TSC is necessary to effectively manage the TSC's operations and accomplish individual business goals (Zhang et al., 2009).

Coordination and a win-win mindset in relationships can enhance business performance (Handfield & Nichols, 1999). Furthermore, in an unpredictable environment, trust-based agreements have a positive correlation with company performance because they are more adaptable and simple to change (Goldhar & Lei, 1991; Hoyt & Huq, 2000).

Every agent in a supply chain must behave with coordination, taking into account how their actions will affect the other participants. Coordination may be achieved most effectively with full vertical integration. Nevertheless, this tactic frequently results in more fixed expenses and less flexibility to adjust to changes in the market. Furthermore, TSC actors frequently represent independent businesses with opposing goals (Gomez & Sinclair, 1991; Lafferty & van Fossen, 2001). The comprehension of coordination as a method of decision-making used by TSC members through various arrangements is the main goal of this study. Many significant tourist companies have previously implemented supply chain coordination techniques, particularly between service providers like hotels and airlines, as well as between tour operators and travel agents (Buhalis, 2000; Guo & He, 2012).

Improved brand value, reputation, image, and prestige are some of the primary advantages that businesses can reap. Benefits including lower costs and increased operational efficiency, which increase a firm's competitiveness in assessing and responding to market threats and opportunities and keeping ahead of regulatory requirements, must be prioritised in the current environment (Tapper & Font, 2004).

Suppliers, tour operators, rivals, partners, governments, and other businesses engaged in complementary activities make form a typical tourism value chain (Kaukal et al., 2000; Zhang et al., 2009). Our in-depth interviews revealed that the government, tour operators, and rival businesses are the three key two-party relationships that hospitality businesses need to manage in times of economic uncertainty. Furthermore, in accordance with (Zhang et al., 2009) research, it is suggested that in addition to two-party relationship coordination, a TSC should oversee the following critical aspects to mitigate disruption risks brought on by natural disasters: finance, labour demand, supply, and regulation (González-Torres et al., 2021).”

Research Gap

“While there is an abundance of literature on SCM in various industries globally, there is a notable research gap specific to the Saudi Arabian hospitality sector. Saudi's Vision 2030 looks to diversify Saudi Arabia's economy away from oil and focusing more on other sectors including increasing direct foreign investment, tourism, and the number of locals in the workforce. The hospitality industry is one of the pillars of 2030 Vision, with an aim that it would contribute more than 15% of the country's GDP by 2030 (Share of Travel and Tourism Contribution to GDP in Saudi Arabia 2015-2032, 2022).

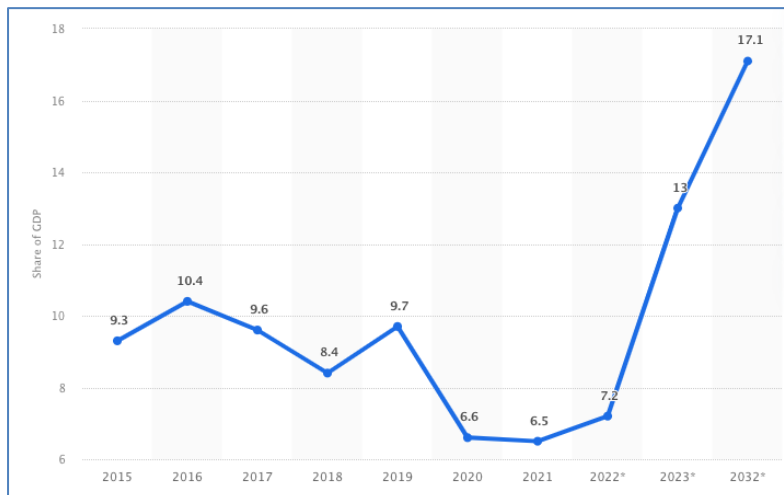


Figure 1. Share of travel and tourism contribution to GDP in Saudi Arabia from 2015 with forecasts to 2032 (Statista, 2023)

The industry has been experiencing the fastest growth in the region, with expectations to grow more exponentially in the coming years (Goody Culinary Solutions). Limited studies have investigated the nuanced challenges, opportunities, and outcomes of SCM practices tailored to the unique socio-economic and cultural context of Saudi Arabia. Additionally, considering the rapid growth and transformation of the Saudi hospitality industry, there is a need for updated empirical research to understand the current dynamics and potential areas for improvement in SCM strategies. Addressing this research gap will provide valuable insights for practitioners, policymakers, and academics, fostering a deeper understanding of how SCM can enhance organisational performance in the Saudi Arabian hospitality sector.

Research Questions

- How supply chain management practices influence organisational performance of hospitality sector in Saudi Arabia (Riyadh and Jeddah).
- How supply chain management practices should be improved to increase level of organisational performance.

Objectives of the Study

- To study the impact of supply chain management practices on the organisation performance of hospitality sector in Saudi Arabia (Riyadh and Jeddah).
- To suggest measures to improve supply chain management practices to enhance organisational performance.

Research Methodology:

Conceptual Framework

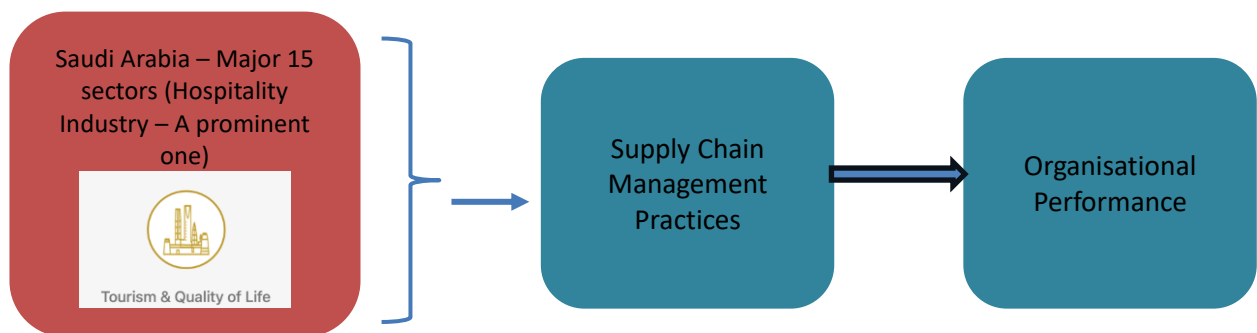


Figure 2. Conceptual Framework of the Study

The conceptual framework depicts that out of the major 15 sectors of Saudi Arabia contributing to its GDP, the researcher has taken hospitality industry sector for analyzing the impact of supply chain management practices (SCMP) as an independent variable on Organisational Performance (OP) as dependent variable. The proposed research framework is based on the two constructs, namely, supply chain management practices and organisational performance, i.e.,

$$OP = f(SCMP)$$

where, OP = Organisational Performance, SCMP = Supply Chain Management Practices. This implies that organisational performance is a function of supply chain management practices.

Research Design

The present study is descriptive in nature as it tries to identify the impact of supply chain management practices on organisational performance in hospitality sector in Riyadh

(capital city) and Jeddah (commercial capital) of Saudi Arabia. Thus, research design was appropriate for the present study as it was important to understand the dynamics of supply chain management practices and organisational performance.

Data Collection

Questionnaire was used as an instrument to collect data from the respondents (professionals working in different hotels of Riyadh and Jeddah, Saudi Arabia). It was designed specifically, keeping in mind the information needed. The questionnaire consisted of structured questions, which were developed on a five-point Likert type scale. The questionnaire was divided in two parts; 50 questions for supply chain management practices and 07 questions for organisational performance. A total of 200 questionnaires have been shared in person and electronically via Google forms. A total of 192 responses were received within the period of 19 September 2023 to 29 November 2023. Some of them, meanwhile, are not complete and have missing responses, making them inappropriate for the final data analysis. The number of total acceptable responses dropped to 192 after incomplete responses are eliminated; these 192 responses, which were full in every component, were employed in this study's data analysis. The response rate for getting the questionnaire filled is approximately 96.0%.”

Result and Discussion:

Objective 1 - To study the impact of supply chain management practices (SCMP) on the organisation performance of hospitality sector in Saudi Arabia (Riyadh and Jeddah).

H₀: Supply Chain Management Practices (SCMP) has no positive impact on organisation performance of hospitality sector in Saudi Arabia (Riyadh and Jeddah).

Descriptive Statistics

“To measure the statements, the scale used a minimum value of 1 (strongly disagree), and a maximum value of 5 (strongly agree). The mean values of the supply chain management practices (SCMP) and organisational practices (OP) dimensions make up the descriptive statistics. The following tables summarizes the major conclusions on numerous causes of SCMP and OP.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CO1	192	1	5	3.20	1.243
CO2	192	1	5	3.37	1.247
CO3	192	1	5	3.42	1.213
CO4	192	1	5	3.27	1.301
CO5	192	1	5	3.27	1.273
CO6	192	1	5	3.28	1.145
GC1	192	1	5	3.21	1.254
GC2	192	1	5	3.18	1.250
GC3	192	1	5	3.31	1.348
GC4	192	1	5	3.30	1.242
GC5	192	1	5	3.34	1.230
GC6	192	1	5	3.32	1.261

IE1	192	1	5	3.17	1.363
IE2	192	1	5	3.32	1.281
IE3	192	1	5	3.41	1.212
IE4	192	1	5	3.27	1.293
IE5	192	1	5	3.25	1.257
IE6	192	1	5	3.31	1.238
IE7	192	1	5	3.26	1.216
ICT1	192	1	5	3.25	1.189
ICT2	192	1	5	3.26	1.275
ICT3	192	1	5	3.34	1.304
ICT4	192	1	5	3.36	1.245
ICT5	192	1	5	3.30	1.271
ICT6	192	1	5	3.27	1.231
SM1	192	1	5	3.32	1.273
SM2	192	1	5	3.24	1.261
SM3	192	1	5	3.30	1.267
SM4	192	1	5	3.34	1.273
SM5	192	1	5	3.05	1.364
SM6	192	1	5	3.09	1.279
SM7	192	1	5	3.12	1.315
LTM1	192	1	5	3.08	1.255
LTM2	192	1	5	3.17	1.231
LTM3	192	1	5	3.12	1.308
LTM4	192	1	5	3.19	1.321
LTM5	192	1	5	3.14	1.360
LTM6	192	1	5	3.18	1.306
IM1	192	1	5	3.11	1.312
IM2	192	1	5	3.06	1.272
IM3	192	1	5	3.11	1.289
IM4	192	1	5	3.08	1.370
IM5	192	1	5	3.21	1.295
IM6	192	1	5	3.11	1.349
WM1	192	1	5	3.05	1.277
WM2	192	1	5	2.95	1.341
WM3	192	1	5	3.09	1.311
WM4	192	1	5	2.93	1.397
WM5	192	1	5	2.95	1.317

WM6	192	1	5	3.05	1.335
Total				3.2056	1.2812

Table 1. Descriptive Statistics of factors of Supply Chain Management Practices

On examining the above descriptive statistics, it can be clearly inferred that the respondents believe that customer orientation, goal congruence, information exchange, information and communication technology, supplier management, logistics and transportation management, inventory management, warehouse management factors impact the state of their organisation's supply chain management practices (M= 3.2056; SD= 1.2812). The experts in the hospitality industry understand how crucial supply chain management procedures are to the smooth running of their companies (Ali et al., 2023). Since it guarantees that every activity in the supply chain is in line with satisfying the wants and expectations of the consumer, customer orientation is regarded as a fundamental component. Professionals are aware that establishing and preserving solid relationships with customers requires a customer-centric strategy.

Hospitality experts also recognise goal congruence as a critical component (Madhavan & Venugopalan, 2023). They understand how important it is to match corporate and individual goals with supply chain targets in order to succeed as a whole. The efficiency and effectiveness of fulfilling consumer needs are increased when all participants in the supply chain are striving for the same objectives. Experts in the hotel industry stress that accurate and timely information exchange among stakeholders is essential for making well-informed decisions (Assioura et al., 2023).

Professionals in the hospitality industry are aware of how important it is to implement cutting-edge technologies to streamline workflows, boost productivity, and improve communication (Suleiman et al., 2022). Improving coordination across different supply chain partners is made easier by the use of ICT technologies. Establishing transparent lines of communication, picking trustworthy partners, and negotiating advantageous terms are all necessary for effective supplier management (van Hoek et al., 2020).

The efficient management of transportation and logistics is essential to guaranteeing the prompt delivery of goods and services (Perkumienė et al., 2021). To reduce wait times and satisfy guests, hospitality experts stress the need of effective logistical plans and transportation networks (Buhalis et al., 2022). Efficient inventory control guarantees that the appropriate products are accessible at the appropriate moment, hence enhancing client contentment (Ramos et al., 2020).

In conclusion, supply chain management practices used by professionals in the hospitality industry are highly conscious of the importance of goal congruence, information exchange, supplier management, logistics and transportation management, inventory management, and warehouse management. By giving these components top priority, they want to develop a customer-focused and efficient supply chain that will improve overall business success in the fast-paced and cutthroat hotel sector.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MP1	192	1	5	3.05	1.289
MP2	192	1	5	2.98	1.298
MP3	192	1	5	2.95	1.333
FP1	192	1	5	3.02	1.302
FP2	192	1	5	3.07	1.291
FP3	192	1	5	2.92	1.267

FP4	192	1	5	2.97	1.349
Total				2.994	1.304

Table 2. Descriptive Statistics of factors of Organisational Performance

On examining the above descriptive statistics, it can be clearly inferred that the respondents agree that market and financial performance impact overall state of their organisation’s performance (M= 2.994; SD= 1.304). Hospitality professionals understand the mutually beneficial relationship between market performance and financial health, and they also understand how important their jobs are in determining the overall health of their organisations (Chien et al., 2020). Customer preferences and behaviours are directly influenced by market dynamics, therefore it's critical for hospitality workers to be adaptable in the face of shifting trends (Akarsu et al., 2023). Their ability to discern market movements allows them to customise offerings, maximise costs, and improve clientele's experiences. Concurrently, financial performance serves as an essential indicator, demonstrating the effectiveness of resource allocation and operational methods (Al-Hashimy et al., 2022). In order to guarantee long-term survival, ongoing profitability, and investment capacity, professionals place a high priority on fiscal prudence. In a sector where flexibility is critical, the relationship between market and financial performance acts as a compass, directing strategic choices and building resilience (Pennisi di Floristella & Chen, 2022). To put it simply, these professionals understand that strong overall performance of their hospitality organisations depends on a harmonious synergy between market and financial factors.”

Scatter Plot

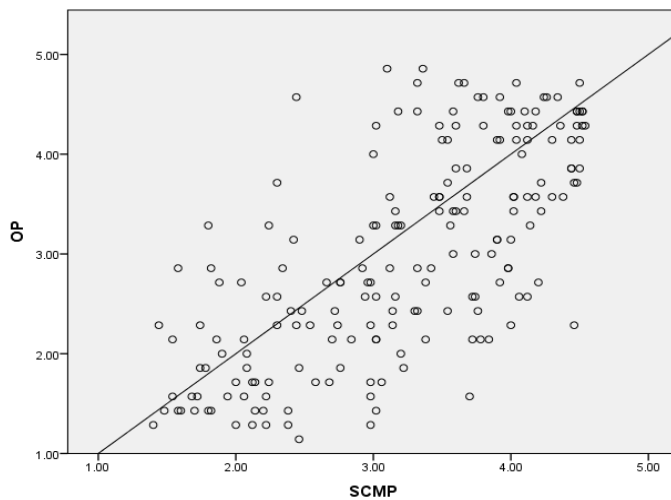


Figure 3. Scatter Plot of Supply Chain Management Practices and Organisational Performance

“The data” points are forming a straight line going from near the origin out to high y-values, the variables are positively correlated. It means that an organisation’s supply chain management practices has a positive and strong correlation with their organisational performance. The association of variables is linear, as per the visualization of data points in the above figure, as the relationship between variables is represented by a straight line.”

Correlation Analysis

For performing correlation analysis, transform variables were computed which were the averages of all the factors under supply chain management practices and organisational performance respectively. They were both labelled as SCMP (Supply Chain Management Practices) and OP (Organisational Performance).

Descriptive Statistics

	Mean	Std. Deviation	N
OP	2.9933	1.05316	192
SCMP	3.2057	.88392	192

Table 3. Descriptive Statistics of Supply Chain Management Practices and Organisational Performance

For OP, the mean came to be 2.9933 and standard deviation was 1.05316, whereas for SCMP, the mean came to be 3.2057 and standard deviation was 0.88392 as evident in the table above.

Correlations

		SCMP	OP
SCMP	Pearson Correlation	1	.701**
	Sig. (2-tailed)		.000
	N	192	192
OP	Pearson Correlation	.701**	1
	Sig. (2-tailed)	.000	
	N	192	192

Table 4. Pearson Correlation Matrix of Supply Chain Management Practices and Organisational Performance

The correlation coefficients provides the “numerical summary of the direction and strength of the linear relationship between two variables.”

As the sign of the Pearson correlation is positive in the above table, i.e., 0.701 at a significant value < 0.05 (which is 0.00), it indicates that as one variable increases, another variable also increases.

It simply indicates that supply chain management practices and organisational performance are positively correlated, and better are the supply chain management practices, higher is the organisational performance.

Regression Analysis

SPSS Output

The numerical indicator represented by R square explains how much of the variance in one variable is associated with another variable. The model summary table shows that the value of R square is 0.488 which is in the range of 0.00 to 1.00. It means that supply chain management practices is moderately associated with organisational performance.

Model Summary^b

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate
1	.701 ^a	.491	.488	.75352

a. Predictors: (Constant), SCMP

b. Dependent Variable: OP

Table 5. Model Summary

In the “model summary table above, "R Square Change", shows the increase in variation explained by the addition of the interaction term. The change in R² is 0.491, which is proportional in nature. This measure is reported as a percentage so change in R² is 4.91%,

which is the percentage increase in variation explained by the addition of the interaction term. This increase is statistically significant ($p < .0005$), a result is clearly obtained from the Sig. F Change column. In SPSS, a statistical significance value of 0.000 does not mean zero, but $p < .0005$.”

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	103.969	1	103.969	183.114	.000 ^b
	Residual	107.879	190	.568		
	Total	211.849	191			

a. Dependent Variable: OP

b. Predictors: (Constant), SCMP

Table 6. ANOVA

And as per ANOVA table above, the model R^2 is statistically significant as well at 183.114 F value with 1 and 190 degrees of freedom at p value 0.000.

Charts

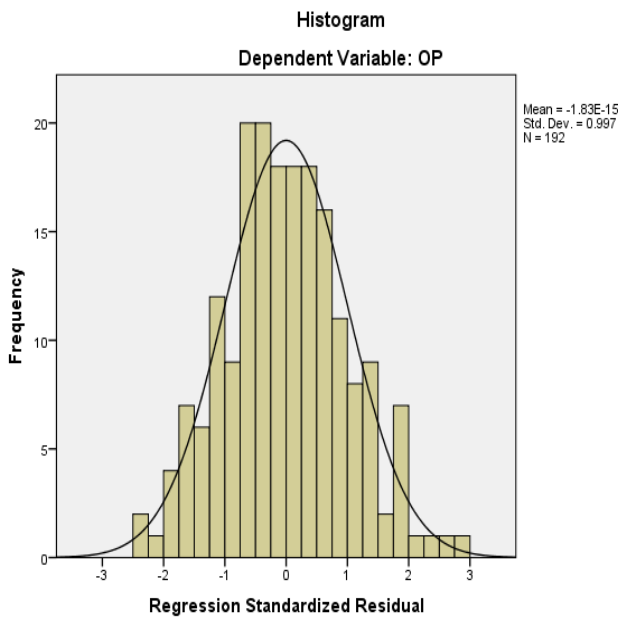


Figure 4. Histogram (Regression Standardised Residual)

From the figure above, it is observed that histogram has a fitted distribution line, and the heights of the bars follow the shape of the line closely. Since bars follow the fitted distribution line closely, then the data fits the distribution well, so it is a good fit.

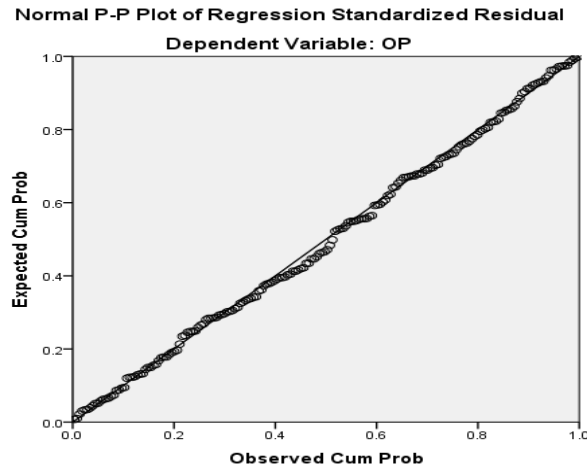


Figure 5. Normal P-P Plot of Regression Standardised Residual

A normal probability plot of the residuals is a scatter plot with the theoretical percentiles of the normal distribution on the x-axis and the sample percentiles of the residuals on the y-axis. The normal probability plot of the residuals is approximately linear supporting the condition that the error terms are normally distributed.

From the above analysis, it is evident that supply chain management techniques have a significant impact on organisational performance in Saudi Arabia's hotel industry. Experts in this field, aware of the particular difficulties and possibilities faced by the Saudi Arabian market, stress how important supply chain procedures are to the development of operational excellence. These experts seek to establish a robust and adaptable supply chain by placing a high priority on customer orientation, goal congruence, information sharing, technology integration, supplier management, logistics, transportation, inventory, and warehouse management. A systematic and well-executed approach to supply chain management emerges as a key component of the hotel industry's continued evolution in Saudi Arabia. It guarantees ongoing success, customer happiness, and overall organisational performance in this competitive and dynamic market.”

AMOS Output

Fitness of the Conceptual Data

An “analytical method for structural equation modelling utilizing the AMOS software was employed in this work for the assessment and suitability of the conceptual model. The outcomes of the fitting indices of the conceptual model and the regression analysis of the model in Figure 6. based on the research data that was discovered while using Amos software to analyse this data.”

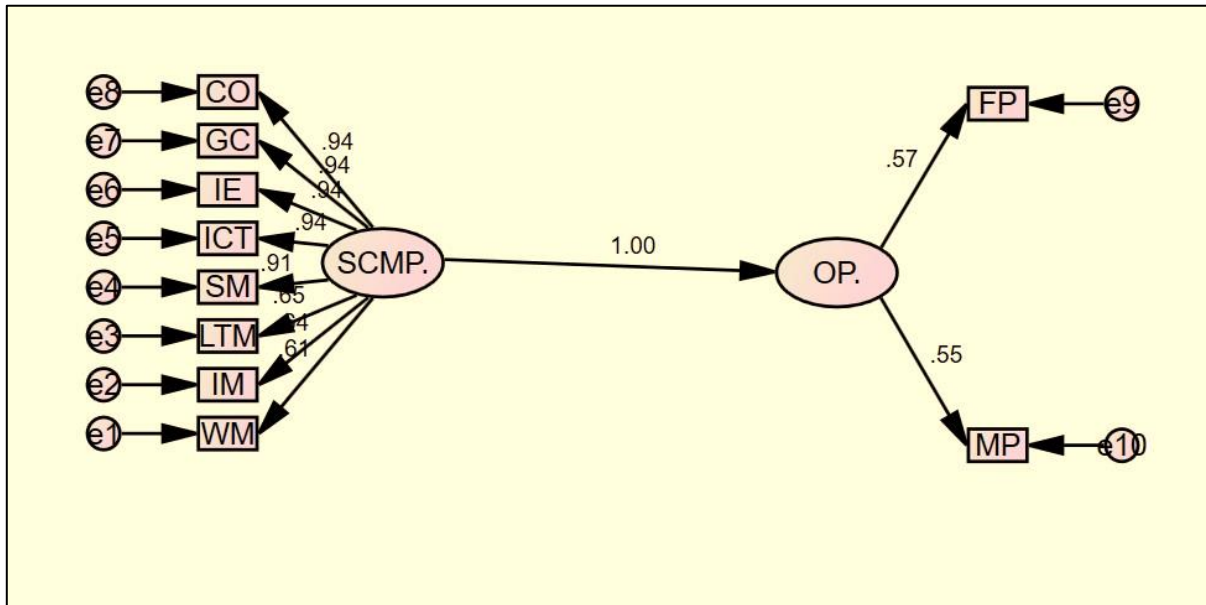


Figure 6. AMOS Model

Structural “Equation Modelling (SEM) was employed to examine the association between Supply Chain Management Practices (SCMP) and Organizational Performance (OP) with a significance level of $\alpha = 0.01$. The results, as presented in Table 7, reveal the regression weights for the diverse relationships within the model. Notably, the observed relationships between SCMP and OP were found to be highly significant, affirming the robustness of the structural model. The statistical significance, indicated by the low alpha level, underscores the confidence in the relationships established across the constructs of SCMP and OP, suggesting that the model fits the data well.”

		Estimate	S.E.	C.R.	P	Label
OP.	<--- SCMP.	.152	.022	6.989	***	par_9
WM	<--- SCMP.	1.000				
IM	<--- SCMP.	.175	.023	7.692	***	par_1
LTM	<--- SCMP.	.178	.023	7.802	***	par_2
SM	<--- SCMP.	.216	.022	9.868	***	par_3
ICT	<--- SCMP.	.238	.024	10.118	***	par_4
IE	<--- SCMP.	.241	.024	10.092	***	par_5
GC	<--- SCMP.	.241	.024	10.075	***	par_6
CO	<--- SCMP.	.230	.023	10.057	***	par_7
FP	<--- OP.	1.000				
MP	<--- OP.	1.029	.158	6.500	***	par_8

Table 7. Regression Weights

These “findings provide empirical support for the hypothesized connections between supply chain practices and organizational performance, reinforcing the utility of SEM in capturing and validating complex relationships in organizational research.”

Conclusions and Recommendations

“The increasing number of tourists driven by religious tourism and the world-class events that Saudi held in the last few years led to an increased demand and rapid growth in the hotel industry. Saudi Arabia accounts for 6 of 11 largest hotel projects in the world. The hotel market in Saudi Arabia is projected to value more than USD 24 billion by the end of 2025, with over 163 hotel projects with 72,617 rooms opening their doors in the coming years across the kingdom. It’s worth noting that most of these projects focus on providing luxurious, high-end experience, with Marriott International leading this venture with opening 29 hotels and over 5700 rooms by 2030 (Goody Culinary Solutions, n.d.). The study's findings indicated that organisational performance is directly and significantly impacted by supply chain management strategies. It demonstrates how crucial SCMP is in helping businesses maintain their high levels of performance. It implies that hospitality businesses with stronger supply chains likely to have more successful markets and economies of scale. Additionally, it has been discovered that the effective use of supply chain strategies will boost supplier and customer performance in addition to organisational performance.

The study concludes by highlighting the critical influence that efficient supply chain management (SCM) techniques have on the organisational performance of Saudi Arabia's hospitality industry. The results show that improved operational efficiency, customer happiness, and financial results are positively correlated with optimised SCM processes. Notably, elements like supplier cooperation, technology use, and inventory management show up as crucial success factors. But issues like cultural quirks and complicated regulatory compliance demand thoughtful consideration. Organisations should invest in technology-driven supply chain management (SCM) solutions, cultivate strong supplier relationships, and modify SCM procedures to take into account local cultural characteristics in order to maximise performance. In order to create a favourable climate for the hotel industry in Saudi Arabia to grow sustainably, policymakers should also take into account supporting industry-wide initiatives to advance standardised supply chain management methods.”

Implications of the Study

“There are important managerial and societal ramifications to the research on how supply chain management (SCM) techniques affect organisational performance in the Saudi hospitality industry. The results emphasise how important it is for managers in the hospitality industry to prioritise and fund strong supply chain management techniques. Enhancing inventory management, collaborating with suppliers, and implementing cutting-edge SCM technology can all have a direct positive impact on operational effectiveness and, by extension, overall performance of the organisation. Supervisors must to be aware of the cultural quirks of Saudi Arabia and adjust supply chain management procedures appropriately, taking into account the impact of regional customs.

The study emphasises the possibility of beneficial spill over effects on the larger community from a social perspective. Not only does a healthy hospitality industry support economic expansion, but it also creates jobs and encourages auxiliary enterprises. Socially conscious supply chain management (SCM) techniques, such promoting regional vendors and guaranteeing ethical labour standards, can amplify the industry's beneficial effects on the community. The hospitality sector can also support worker skill development by embracing technology and contemporary SCM procedures, which is in line with larger national objectives of economic diversification and innovation.

Overall, the research indicates that managerial success and favourable social results can be obtained in the Saudi Arabian hospitality business with a diligent approach to supply chain management. Managers ought to take into account the fact that their choices have an impact on the region's larger socioeconomic structure in addition to enhancing internal

operations and financial performance. In the Saudi Arabian hospitality industry, this knowledge can help direct strategic decisions that are advantageous to the organisation as well as the greater community, balancing commercial success with social responsibility.”

Future Scope of the Study

“By examining new dimensions, future research projects may expand on the current understanding of how supply chain management (SCM) affects organisational performance. Examining variables such as employee training, lean capabilities, geographic proximity, and delay tactics could offer a more thorough understanding of SCM's impact. It would be more generalizable and provide a wider viewpoint if the research was extended beyond the hotel industry in a few Saudi Arabian cities to include a variety of industries, cities, and countries.

Furthermore, by adding contextual variables like organisational size and supply chain structure, researchers might validate and improve the current model. These variables' analysis in conjunction with SCM procedures may provide subtle insights into the ways in which various organisational traits interact with SCM to influence performance outcomes. This strategy would help create a more flexible and nuanced model that takes into consideration the many environments in which businesses operate. In conclusion, it should be the goal of future research to expand the scope of the study by taking into account other organisational traits, geographic regions, and industry sectors. This broad methodology would increase the research's validity and offer more useful insights for companies operating in various environments.”

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