

# Organizational flexibility and pioneering behavior: the indirect effect of market dynamism in tourism firms

Bernardo Ramón Dante De la Gala-Velasquez, Americo Hurtado-Palomino and Elbia Myreyle Chavez Zirena

## Abstract

**Purpose** – The purpose of this study is to understand the moderating role of market dynamism in the relationship between organizational flexibility and pioneering behavior in tourism firms in Arequipa, Peru. This study aims to delve into the antecedents of pioneering orientation understood as a strategic stance that favors the creation and launch of new products in the market.

**Design/methodology/approach** – This empirical study involved the analysis, using partial least squares regression, of 306 surveys administered to managers of tourism enterprises. Mediation has also been examined using the bootstrapping method.

**Findings** – The results show that organizational flexibility has a positive impact on pioneering behavior, while market dynamism positively mediates this relationship.

**Practical implications** – This work provides interesting theoretical and empirical contributions for the management of firms in the tourism sector. Firms should develop capabilities to reconfigure their processes and products to adequately implement and exploit innovations generated in their organizations. In addition, tourism enterprises should improve their performance by creating new products and/or services, aligned with changes in customers' purchasing and consumption habits.

**Originality/value** – This study aims to elaborate on the background of pioneering orientation understood as a strategic stance that favors the creation and launch of new products in the market. This study also proposes that market dynamism is a factor to be considered in improving this relationship.

**Keywords** Organizational flexibility, Pioneering behavior, Market dynamism, Tourism

**Paper type** Research paper

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## **Flexibilidad organizacional y comportamiento pionero: el efecto indirecto del dinamismo de mercado en empresas turísticas**

### Resumen

**Propósito:** El objetivo de este trabajo es comprender el papel moderador del dinamismo del mercado en la relación entre la flexibilidad organizacional y el comportamiento pionero en las empresas de turismo de Arequipa, Perú. El estudio pretende profundizar en los antecedentes de la orientación pionera, entendida como una postura estratégica que favorece la creación y lanzamiento de nuevos productos al mercado.

**Diseño/metodología/enfoque:** El estudio empírico involucró el análisis, mediante regresión de mínimos cuadrados parciales (PLS), de 306 encuestas administradas a gerentes de empresas turísticas. La mediación también se realizó utilizando el método de "bootstrapping".

**Hallazgos:** Los resultados muestran que la flexibilidad organizacional tiene un impacto positivo en el comportamiento pionero, mientras que el dinamismo del mercado media positivamente en esta relación.

**Implicaciones prácticas:** El trabajo aporta interesantes aportes teóricos y empíricos para la gestión de empresas del sector turístico. Las empresas deben desarrollar capacidades para reconfigurar sus procesos y productos para implementar y explotar adecuadamente las innovaciones generadas en sus organizaciones. Además, las empresas turísticas deben mejorar su desempeño mediante la creación de nuevos productos y/o servicios, alineados con los cambios en los hábitos de compra y consumo de los clientes.

**Originalidad/Valor:** *El estudio pretende profundizar en el trasfondo de la orientación pionera entendida como una postura estratégica que favorece la creación y lanzamiento de nuevos productos en el mercado. También propone que el dinamismo del mercado es un factor a considerar en la mejora de esta relación.*

**Palabras clave** *Flexibilidad organizacional, Comportamiento pionero, Dinamismo de mercado, Turismo*

**Tipo de papel** *Trabajo de investigación*

## 1. Introduction

In recent years, the tourism industry has undergone a number of changes as a result of market dynamism, technological dynamism and high levels of rivalry, among other factors (García-Villaverde, Ruiz-Ortega, Hurtado-Palomino, De La Gala-Velásquez, & Zirena-Bejarano, 2021). This business environment requires tourism firms to adapt to changes in a timely fashion and develop management strategies that promote their competitiveness and sustainability (García-Villaverde *et al.*, 2021). In this sense, the interactions between organizational flexibility and market dynamism may be key determinants of the proactiveness needed for pioneering behavior.

The economic sector of tourism in the region of Arequipa has benefited from the growth in tourism in Peru in recent years. According to the 2019 Regional Report on Tourism in Arequipa, the region welcomed 3.3 million tourists, of whom 7% were from the region and 16.6% were foreign tourists. The growth in tourism in the region is a result of its various tourist attractions, including the historical center (a World Heritage Site), the countryside and the Colca Canyon. The UNESCO has also recognized Arequipa as a city of creative gastronomy, thus complementing the attractiveness of the destination. Also, it is the third city in Peru with the largest number of conglomerate companies in the tourism industry (SUNAT, 2019); likewise, it is considered the second most important city in Peru. In addition, Peru is listed as an important tourist destination in Latin America for its high cultural richness, especially Arequipa, Lima and Cusco, recognized by UNESCO as World Heritage Cities (Hurtado-Palomino, De La Gala-Velásquez, & Merma-Valverde, 2021). This configuration of cities allows us to study the internal and external factors that affect the management of tourism companies, the results of which can be extended to economies with similar characteristics.

The previous literature on organizational flexibility underlines the importance of the capacity to adapt to different business contexts (Yousaf & Majid, 2018). Additionally, Yousaf and Majid (2018) conclude that organizational flexibility mediates the relationships between business performance and organizational networks, while recommending this be tested in other economic sectors. In addition, the interaction between organizational flexibility and environmental dynamism helps enhance performance (Saeed, Tabassum, Zahid, Jiao, & Nauman, 2021). These antecedents have led to the exploration of organizational flexibility in tourism firms, given the rapid changes occurring in the environment and the benefits for the sector's sustainability.

The literature on external and internal business factors is scant (Rodrigo-Alarcón, García-Villaverde, Ruiz-Ortega, & Parra-Requena, 2018; García-Villaverde, Elche, & Martínez-Pérez, 2020), although we can highlight the work by Mueller, Titus, Covin and Slevin (2012), which analyzes the impact of pioneering behavior on firm performance. Additionally, García-Villaverde, Parra-Requena, and Ruiz-Ortega (2017) report positive effects of pioneering behavior on new product performance. However, there do exist works on the tourism industry that link market dynamism and behavior. García-Villaverde *et al.* (2020), for example, explain the positive relationship between market dynamism and pioneering behavior, while calling for studies on other countries and different types of tourism.

Given the gap in the literature on the direct and indirect determinants of pioneering behavior in tourism firms in Latin America (García-Villaverde, Ruiz-Ortega, & Toledo-Picazo, 2019;

García-Villaverde *et al.*, 2020), the aim of the present research is to analyze the mediating effect of market dynamism on the relationship between organizational flexibility and pioneering behavior. Moreover, the findings help advance the theoretical and empirical literature on the variables in question.

To fulfill this aim, the work is structured as follows. This section has presented the introduction. The following section contains the review of the literature and the study hypotheses. We then describe the methodology of the research before addressing the results, the discussion, conclusions and recommendations.

## 2. Review of the literature and hypotheses development

### 2.1 Pioneering behavior

There is no consensus on the definition of pioneering behavior in the literature, with most works focusing on the factors that promote this orientation (Mueller *et al.*, 2012; Robinson *et al.*, 1992; Song, Zhao, & Benedetto, 2013). It has been associated with the performance desired, exploiting the opportunities offered by early market entry (Mueller *et al.*, 2012). Furthermore, Gal-Or (1987) suggests that when two identical players move sequentially in a game, the first mover (leader) gains higher profits than the second one (follower). Hence, applying this construct to the business world, we find that Lieberman and Montgomery (1998) define a pioneering firm as one that develops a new product, design or model and does not necessarily bring it to the market.

Additionally, García-Villaverde *et al.* (2019) describe pioneering firms as first movers in the market, with the process being simpler if they have the required resources and capacities. In the same line, Golder and Tellis (1993) hold that a pioneer is the first firm to sell a new product category, while Covin, Slevin, and Heeley (2000) extend the concept to entail a new way of tackling decision making and tactics.

Various articles have analyzed the determinants of pioneering behavior, focusing primarily on internal factors (Schoenherr & Speier-Pero, 2015), referencing the resource and capability theory (Barney, 1991) and identifying the resources defined as tangible or intangible assets or inputs used in production (Helfat & Peteraf, 2003). Although these might be scarce, they should be explored with the aim of capitalizing on them and exploiting them so as to be able to build new resources that can address future opportunities (Lee, 2008).

Capabilities are considered to play an enormously important role in pioneering, being defined as abilities, routines, processes and activities that are key at the time of market entry (McEvily, Eisenhardt, & Prescott, 2004). In this line Tsai, MacMillan, and Low (1991) highlight the value of marketing capabilities focused on developing the brand and customer trust as higher complementary capacities that foster the adoption of a first-mover strategy, promoting entry to new market segments (García-Villaverde *et al.*, 2019). Lévesque and Shepherd (2004), meanwhile, analyzed the influence of characteristics and conditions on early entry decisions, identifying emerging and developed markets. Furthermore, García-Villaverde and Ruiz-Ortega (2007) propose dynamism, level of competition, rivalry, hostility and imitation as environment variables.

Being a first mover allows a firm to position its products and services as market standards, forcing followers to adapt to their rules (Gómez, Pérez-Aradros, & Salazar, 2019). The positive image and reputation garnered by being the first mover in the business leads a firm to gain the loyalty of consumers, achieving a unique and different position (Klingebiel & Joseph, 2016). Moreover, entry barriers are developed that hamper imitation from competitors (Kaličanin, 2008; Pantano, 2016). It is also worth recalling the disadvantages generated by changes in technology, the evolution of customers' tastes and needs, among the most noteworthy factors. Meanwhile, Guo, Wang, Hao and Saran (2018) stress the advantages of taking a follower stance, suggesting it is even possible to achieve better results by means of late entry.

The number of studies on pioneering behavior in the tourism sector is very limited, with most focusing on the manufacturing industry, such as the work by [Zachary, Gianiodis, Payne and Markman \(2015\)](#). Nonetheless, given the importance of this sector in society, it is of interest for research to identify the factors that determine pioneering behavior in enterprises involved in tourism activities. The work by [Ruiz-Ortega, Molina-Morales, Parra-Requena, and García-Villaverde \(2020\)](#) suggests that tourism firms need to be vigilant for significant changes in product demand and trends in tourist flows. The capability to cooperate and compete with local agents is key, without neglecting the global scenario ([Klingebiel & Joseph, 2016](#)). Likewise, there are previous studies that analyze pioneering behavior in companies located in Peru's world heritage cities ([Ruiz-Ortega, García-Villaverde, De La Gala-Velásquez, Hurtado-Palomino, & Arredondo-Salas, 2021](#); [García-Villaverde et al., 2021](#); [Hurtado-Palomino et al., 2021](#)), obtaining interesting contributions in the theoretical advancement in the tourism industry.

## *2.2 Organizational flexibility and pioneering behavior*

Flexibility describes a firm's organizational capability to use and reuse resources, reinforcing their internal competencies to develop diverse strategies and actions that allow strategic objectives to be met ([Yousaf & Majid, 2018](#)). It also allows a firm to modify its form and system of business to adapt to changes in technology, the market environment and competition, responding to the changing needs of customers ([Schilling & Steensma, 2001](#); [Ravi Srinivasan, 2016](#)). It has also been considered as a dynamic capability given it is able to renew and recreate resources, rapidly and efficiently integrating and configuring them in response to the dynamism in the environment ([Teece, Pisano, & Shuen, 1997](#); [Yousaf & Majid, 2018](#)).

In addition, flexibility is seen as involving structural design or redesign, by means of which firms exhibit their strategic actions ([Buzacott, 1999](#); [Ho-Wai So et al., 2015](#)). In other words, importance is given to the management of risk and uncertainty. Meanwhile, [Shukor, Newaz, Rahman and Taha \(2020\)](#) consider it to be a dynamic capability that is important for dealing with complexity, minimizing uncertainty and assisting management in complicated and turbulent environments.

It also underpins an improved capacity to respond to key competitors, helping firms adjust their strategies and actions by proper handling of their resources and capacities ([Bryson, Wood, & Keeble, 1993](#); [Parthasarthy & Sethi, 1992](#); [Shukor et al., 2020](#)). It also helps achieve better operational performance, as it provides knowledge and means of information regarding how and what to change in the market ([Anand & Ward, 2004](#); [Srinivasan & Swink, 2016](#)).

Being focused on core activities of a business, flexibility reduces wastage and effort through reconfiguration as a response to new situations requiring adjustment to the environment ([Shukla, Sushil, & Sharma, 2019](#)). An example is the case of the COVID-19 pandemic, in which many tourism firms have been obliged to be flexible and reinvent themselves, offering products and services that are adapted to the new normality.

Government handling of the COVID-19 pandemic led to the Peruvian tourism sector being submitted to major restrictions, with constraints on the movement of both domestic and international travelers, thereby closing down virtually all activity in the industry. This scenario led to the closure of many firms. Some, however, achieved substantial income by providing accommodation to workers in the mining sector, who were compulsorily quarantined, while others managed to adapt their facilities for the treatment of low-level COVID-19 patients. These can be regarded as examples of organizational flexibility in developing countries.

The literature considers organizational flexibility to be an essential factor in operational and strategic activities. In this sense, [Shukla et al. \(2019\)](#) argue that flexibility is an antecedent of organizations' innovation and planning in dynamic environments, that is, flexibility is associated with creating and launching new products in the market.

Additionally, [Eckstein, Goellner, Blome, and Henke \(2015\)](#) underline the importance of structural flexibility in building flexible options into supply chains.

We found no studies analyzing flexibility and pioneering behavior in the tourism sector. Nonetheless, we did encounter studies that touched on the variables in question, with an example being that by [Anning-Dorson and Nyamekye \(2020\)](#), who suggest that flexibility has a mediating effect on the relationship between innovation and competitive advantage. Furthermore, [Majid et al. \(2019\)](#) report that flexibility mediates the relationship between network capability and strategic performance, while [Jiang and McCabe \(2021\)](#) explain that flexibility leads information technology to enhance destination performance. Finally, the previous literature allows us to reflect on the benefits of flexibility in improving pioneering behavior in tourism sector firms ([Anning-Dorson & Nyamekye, 2020](#); [Majid et al. \(2019\)](#); [Jiang & McCabe, 2021](#)). Drawing on the above arguments, we propose the following hypothesis:

*H1.* Organizational flexibility has a significant positive effect on pioneering behavior.

### **2.3 Indirect effect of market dynamism**

The new business environment demands greater attention be paid to internal and external factors, especially those that impact firms' sustainability and competitiveness ([Cheraghalizadeh, Olya, & Tumer, 2021](#)). [García-Villaverde et al. \(2020\)](#) hold that market dynamism is characterized by rapid changes in consumers' tastes and needs, while also having a significant effect on corporate practice, and hence, it is recommended that greater attention be focused on market variations.

Our review of the literature identified several works on the direct and indirect effects of market dynamism ([García-Villaverde et al., 2020](#); [Cheraghalizadeh et al., 2021](#)), yet studies linking it to structural adaptation and pioneering behavior are scarce. Furthermore, it has been the subject of limited analysis in the field of tourism firms in developing economies ([Zhang & Zhang, 2018](#)).

[Wu and Nguyen \(2018\)](#) suggest that the current dynamic environment means service enterprises need to create novel and varied products. Additionally, [Kamasak, Yavuz, and Altuntas \(2016\)](#) report that market changes necessitate acquiring and assimilating knowledge to identify and develop new products. [Zhu, Dong, Gu, and Dou \(2017\)](#) consider that market dynamism affects how ties drive innovation, while [Zhang, Garrett-Jones, and Szeto \(2013\)](#) propose that industry dynamism may affect organizational flexibility and market performance. Thus, we posit the following hypothesis:

*H2.* Market dynamism has significantly and positively mediate the relationship between organizational flexibility and pioneering behavior in tourism firms.

[Figure 1](#) shows the theoretical model of our research, where *H1 (+)* represents the effect of organizational flexibility on pioneering behavior and *H2 (+)* represents the indirect effect of market dynamism on the relationship between organizational flexibility and pioneering behavior.

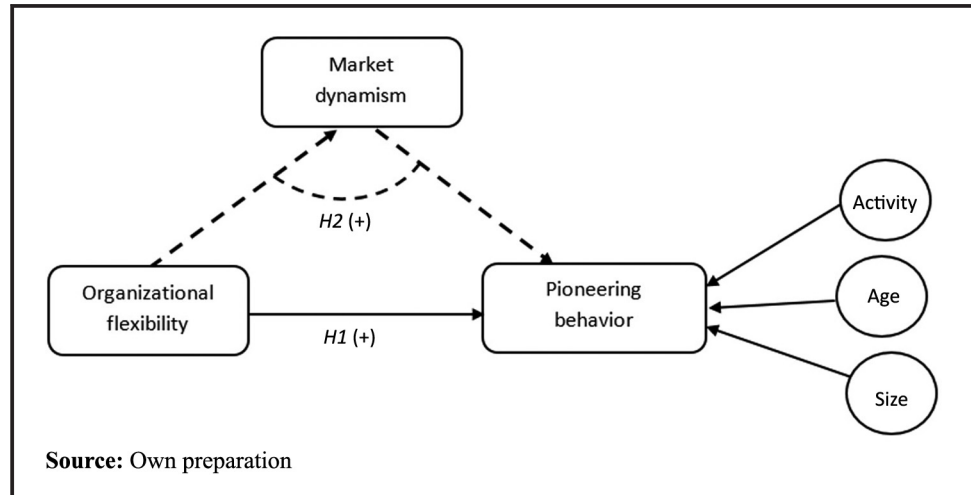
## **3. Methodology**

To address the aim of our research, we applied a nonexperimental, qualitative approach, which was also cross-sectional and retrospective. Its explanatory power lies in its measurement of the impact of the organizational flexibility variable on pioneering behavior.

### **3.1 Population and sample**

The study population consists of 381 tourism firms in the region of Arequipa, comprising accommodation businesses, restaurants and tourism operators (travel agencies and

**Figure 1** Theoretical research model



tourism guides), categorized in accordance with the Regional Authority for Foreign Trade and Tourism. This economic sector is of great importance for the region, recognized by the UNESCO as a cultural tourism and creative gastronomy site. In 2019, it welcomed around 2,000,000 travelers, of whom 400,000 were foreign tourists, generating 1,500 million soles for the regional economy, according to the Peruvian National Chamber of Tourism (CANATUR).

The units of analysis by activity are as follows: accommodation, 39.87%; tourism operators, 35.95%; and restaurants 24.18%. A total of 43.79% of the firms are family owned, and 56.21% are limited companies. Of these firms, 79.41% have only one premises or main business facility, while 20.59% are branch. The sample comprises the 381 firms that participated in the study, with the data being gathered in the early months of 2020, before the onset of the COVID-19 pandemic. We excluded 75 surveys from the study because of linear response behavior, resulting in the final analysis of 306 surveys. A pilot survey was administered to 20 firms to test the instrument reliability, yielding adequate values. This pilot survey also served to verify that respondents were able to understand the questionnaire.

### 3.2 Measures

Pioneering behavior has been defined as an organization's ability to introduce a product or changes in procedures before others. Indeed, the literature suggests the importance of establishing certain entry barriers to delay imitation of successful strategies (Lieberman & Montgomery, 1998), with the aim of gaining competitive advantages over followers. The present research uses a three-item instrument adapted from that proposed by Covin *et al.* (2000). It is scored on a seven-point Likert-type scale and has a Cronbach's alpha of 0.920 and a discriminant validity [average variance extracted (AVE)] of 0.863.

Organizational flexibility has been considered a key element in firms, as it generates changes, reconfiguring resources with direct impacts on costs and operational performance (Eckstein *et al.*, 2015). We use these authors' six-item scale, which has a Cronbach's alpha of 0.848 and a discriminant validity (AVE) of 0.552.

Market dynamism is characterized by changes in the market. To measure this, we used the scale proposed by Jaworski and Kohli (1993), which is extensively used in the literature (García-Villaverde *et al.*, 2020; García-Villaverde, Parra-Requena, & Ruiz-Ortega, 2010; Rodrigo-Alarcón, García-Villaverde, Parra-Requena, & Ruiz-Ortega, 2017). The scale has a

Cronbach's alpha of 0.880, and its discriminant validity (AVE) is 0.805. Also, the three measurements can be seen in the [Appendix](#) of the paper.

### 3.3 Procedure and analytical techniques

A questionnaire was administered to the managers of tourism firms, the data from which were tabulated and subsequently analyzed using partial least squares (PLS) regression, a technique commonly applied in social sciences ([Cepeda Carrión, Henseler, Ringle, & Roldán, 2016](#)). Additionally, to examine the information, we conducted a descriptive analysis, followed by an inference analysis, based on the measurement model. Lastly, the Smart PLS 3.3.4 statistical software was used for the structural equation modeling (SEM), with which we tested the hypotheses ([Hair, Risher, Sarstedt, & Ringle, 2019](#)).

## 4. Results

### 4.1 Descriptive results

We conducted a descriptive analysis of the mean scores, standard deviations and correlations of the main study variables: flexibility, market dynamism and pioneering behavior. The results reveal significant correlations. The standard deviations show dispersion, and the means are above the average values of the scale, for each dimension, as can be seen in the table below ([Table 1](#)).

### 4.2 Measurement model assessment

The measurement models, using SEM, were employed to assess the reliability and validity of the study variables, as were those applying PLS regression. The reliability of our variables was carried out by means of Cronbach's alpha and composite reliability ([Roldan & Sanchez-Franco, 2012](#)). The level of acceptance of both indicators was > 0.7, confirming the internal consistency of the variables.

Convergent validity was assessed using AVE, finding values of >0.5, and for discriminant validity, we used the Fornell–Larcker criterion ([Fornell & Larcker, 1981](#)) and Hetero Trait Mono Trait ratio (HTMT) ([Henseler, Ringle, & Sarstedt, 2014](#)), finding that the diagonal values were higher both for the higher rows and the lower rows in the case of HTMT ([Table 2](#)).

**Table 1** Descriptive analysis of the study variables

Variables	Mean	SD	Asymmetry	(1)	Correlations (2)	(3)
(1) Organizational flexibility	5.162	1.079	-0.568	-		
(2) Market dynamism	4.553	1.55	-0.607	0.304***	-	
(3) Pioneering behavior	3.792	1.721	-0.059	0.249***	0.397***	-

Notes: \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$   
Source: Own preparation

**Table 2** Analysis of the reliability, convergent validity and discriminant validity of the constructs

Variables	Reliability internal consistency		Convergent validity	Discriminant validity		
	Cronbach's alpha >0.7	Composite reliability >0.7	AVE >0.5	(1)	(2)	(3)
(1) Organizational flexibility	0.848	0.888	0.552	0.743	0.261	0.344
(2) Pioneering behavior	0.920	0.950	0.863	0.285	0.929	0.441
(3) Market dynamism	0.880	0.925	0.805	0.327	0.402	0.897

Source: Own preparation

Furthermore, we analyzed the internal consistency of the indicators, which yielded factor loadings of  $>0.7$ , except for Item 6 on the flexibility scale, whose factor loading was 0.663. It was included, however, in the analysis, as it was considered important (Hair *et al.*, 2019), given its factor loading was  $>0.4$ . Collinearity was measured using the variance inflation factor (VIF). This revealed values of  $<3.3$  (Diamantopoulos & Siguaw, 2006), showing the indicators presented no collinearity. Table 3 details this information.

The measurement model was accepted because all the study variables and their indicators were found to be valid and their level of acceptance met those suggested in the literature, as can be seen in Tables 2 and 3.

#### 4.3 Structural model assessment

The second model to be evaluated by means of structural equations was the structural model, the aim of which was to assess the relationships between the various study variables, testing the acceptance of our proposed theoretical model. According to Henseler, Hubona, and Ray (2016), a structural model no longer makes sense if the measurement model assessment fails to yield appropriate levels of acceptance, with this being a prior condition for the analysis of the former. Additionally, structural models help the predictive power of the independent variables with respect to the dependent variable, which in this case refers to the effect of organizational flexibility on pioneering behavior.

This study analyzes two structural models. The first measures the direct significant positive effect of organizational flexibility on pioneering behavior, while the second assesses the mediator effect of the market dynamism on the relationship between organizational flexibility and pioneering behavior. Table 4 summarizes the results of the proposed structural models.

The results of the two structural models help assess which has the greater level of predictive power according to their coefficients of determination and  $\hat{r}^2$ . The following sections explain these models.

The first model assessed the impact of organizational flexibility on pioneering behavior. The results reveal a highly significant positive path coefficient of 0.271\*\*\*. The determination

**Table 3** Analysis of the reliability of the indicators, discriminant validity and collinearity

Variables	Descriptive statistics		Discriminant validity	Collinearity
	Mean	Standard deviation	Cross loading $>0.7$	Variance inflation factor (VIF) $\leq 3.3$
<i>Organizational flexibility</i>				
Item 1	4.618	1.815	0.75	1.44
Item 2	4.961	1.335	0.8	1.896
Item 3	5.124	1.441	0.8	1.94
Item 4	5.484	1.271	0.712	1.997
Item 5	5.359	1.533	0.722	1.73
Item 6	5.425	1.245	0.663	1.798
<i>Market dynamism</i>				
Item 1	4.484	1.712	0.913	2.44
Item 2	4.539	1.798	0.893	2.459
Item 3	4.637	1.67	0.885	2.389
<i>Pioneering behavior</i>				
Item 1	3.732	1.92	0.915	2.894
Item 2	3.807	1.809	0.948	4.312
Item 3	3.837	1.83	0.923	3.597

Source: Own preparation

**Table 4** Structural models

Variables	Model 1	Model 2
Flexibility → Pioneering behavior	0.271***	0.188***
Market dynamism → Pioneering behavior		0.327***
Mediation: Flexibility → Market dynamism → Pioneering behavior		0.079***
Activity	0.447***	0.419***
Age	-0.172***	-0.178***
Size	0.180***	0.148**
Adjusted $R^2$	0.373***	0.429***
Change in $R^2$		0.06
$f^2$		0.131

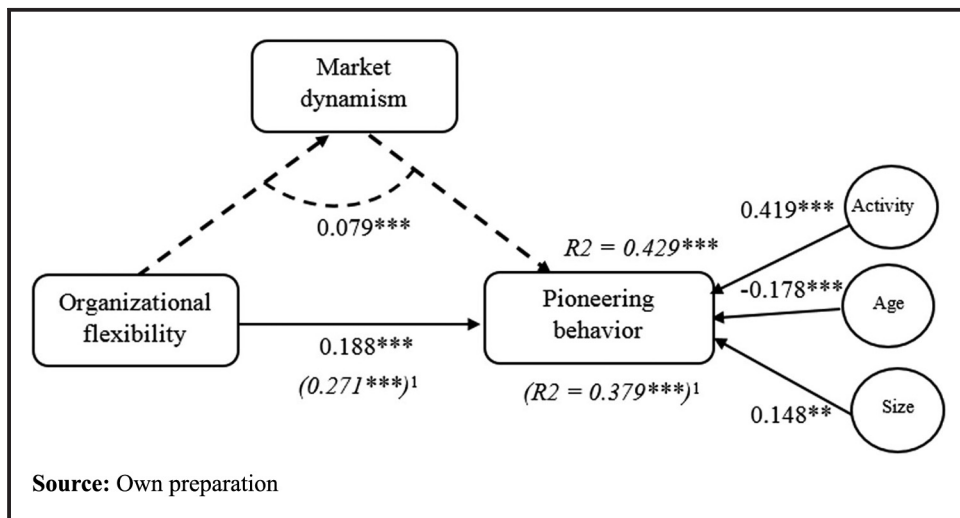
Notes: \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$   
Source: Own preparation

coefficient also has a significant positive effect on pioneering behavior, with  $R^2 = 0.373^{***}$  (Figure 2), which shows that organizational flexibility has an explanatory power of 37.3% for pioneering behavior.

These results suggest our first research hypothesis can be accepted, as organizational flexibility is shown to have a significant positive relationship with pioneering behavior in tourism firms in the Arequipa region. Table 4 shows the values generated by this first model.

This second model analyzed the indirect mediating effect of market dynamism on the association between organizational flexibility and pioneering behavior. The results suggest a synergistic effect of these two variables on pioneering behavior, as a coefficient of determination of  $R^2 = 0.429^{***}$  was found, which is higher than the previous model, showing a considerable increase of 0.056 because of the indirect mediating effect (Figure 2).

We also found path coefficients of 0.188\*\*\* for organizational flexibility and 0.327\*\*\* for market dynamism, both of which were positive and significant. Although a decrease in the organizational flexibility path coefficient can be seen, the overall model reveals a substantial effect size, with  $f^2 = 0.131$ , which, following Hair *et al.* (2019), can be considered large (Table 4). The results thus mean we can accept our second hypothesis, confirming the market dynamism has a positive moderating effect.

**Figure 2** Theoretical research model with findings

## 5. Discussion

The results of our research support the theory that organizational flexibility boosts a firm's pioneering behavior. This, in turn, creates sustainable competitive advantages and provides the enterprise with the capability to deal with a shifting environment, which, in the case of the tourism sector, is one where competitiveness has increased over recent years as a result of growing and changing customer demand ([Anning-Dorson & Nyamekye, 2020](#)).

This study notably advances the literature on the antecedents of pioneering behavior. First, it corroborates the significant positive relationship between organizational flexibility and pioneering behavior, which is consistent with the findings of previous studies reporting the impact of flexibility on both strategic firm performances. Previous organizational flexibility research has not been analyzed with pioneering behavior; however, close studies have been found.

For example, [Anning-Dorson and Nyamekye \(2020\)](#) argue that organizational flexibility fosters innovation activities. In turn, [Saeed et al. \(2021\)](#) state that organizational flexibility is a key antecedent for innovation. In this sense, the research results are in line with the conclusions found in these studies, given that pioneering orientation is considered as a strategic behavior enhanced by organizational flexibility increasing its ability to enter the market first, by creating new products through innovation activities. Also, [Yousaf and Majid \(2018\)](#) confirm that organizational flexibility has an effect on strategic performance; in our case, pioneering behavior is valued through the entry of new products, an essential indicator of strategic performance.

Furthermore, we found an indirect effect of market dynamism on the relationship between organizational flexibility and pioneering behavior, where the contingent role of market dynamism on the relationships between several variables and business performance is confirmed ([Park et al., 2019](#)). Additionally, changes in customers' purchasing and consumption habits have an influence on firms' pioneering behavior. Our findings show a positive relationship in this respect, whereby the greater the change in customers' consumption behavior, the greater will be the firm's pioneering behavior. On the other hand, [García-Villaverde et al. \(\(2020\)](#) analyzed pioneer orientation in tourism clusters, concluding the existence of a U-shaped curvilinear relationship between market dynamism and pioneer orientation. Our results find similarities in the positive effect of market dynamism, taking into account that any curvilinear relationship has both negative and positive effects.

## 6. Conclusions and implications

The primary contribution of our study is that it provides empirical evidence of the significant positive effect of organizational flexibility on pioneering behavior, which, in turn, is driven by market dynamism. The intensity of such dynamism would directly affect the entrepreneurial orientation of cultural tourism firms in Peru. It is also worth noting that we show how a firm's flexibility in resources and processes has a substantive impact on its response to the environment, by which we contribute to enhancing knowledge on organizational flexibility, pioneering behavior and market dynamism as contingent elements in this association.

Our findings can help tourism firm' managers in their business practices, suggesting that companies should develop capabilities and strategies to reconfigure their processes and products. In addition, they should develop organizational flexibility for better operational performance in the development of new products and/or services demanded by the market. They must also maintain a pioneering behavior to be the first to introduce new products in the market, lead in the development of innovative ideas, anticipate the competition and take advantage of market opportunities. In particular, companies should maintain a more flexible behavior to explore and exploit market opportunities. This confirms previous research

findings (Zahra, 1996; Azadegan & Dooley, 2010; Carpenter, Cepeda, Rohrer, Kang, & Pashler, 2012; Gómez *et al.*, 2019).

On the other hand, the interaction between organizational flexibility and pioneering behavior favors business competitiveness and sustainability; in this context, market dynamism is an essential factor of the environment that promotes this interaction, as it is characterized by continuous changes in consumer behaviors in tourists. In addition, companies must develop good relationships with customers, suppliers and competitors, as well as be able to attract new customers by exploring their needs for products and services.

Furthermore, public and university institutions linked to tourism should provide information to improve the decision-making capacity of tourism company managers and develop their managerial potential with greater openness to changes in the environment under the premise of flexibility, pioneering behavior and market dynamism. We also recommend that organizations constantly monitor their customers' purchasing and consumption habits.

## 7. Limitations

Despite all the efforts made, the present study is not without its limitations. Regarding the units of analysis, although the surveys were administered to the managers of businesses in the tourism sector, and following Covin *et al.* (2000) and Spanos and Lioukas (2001), managing directors are responsible for firms' strategic behavior, we cannot exclude a potential bias. To avoid common method bias, we selected a subsample of 45 firms, where the survey was answered a second time by different managers, with the results of the two samples yielding no significant differences. Finally, all the measures used had been validated in previous studies (Zahra, 1996; Atuahene-Gima, Li, & De Luca, 2006; Azadegan & Dooley, 2010; Eckstein *et al.*, 2015).

## 8. Future research lines

We propose future lines of research related to the reopening of tourism in many countries following the advances made against the COVID-19 pandemic. This prospect will require greater organizational flexibility in tourism businesses, focused not only on innovation but also on other operational aspects that may drive the recovery of this significant economic sector. A variable that deserves further research is the management and exploration of value in firms in this new scenario, which could be the support for new business strategies. Likewise, the professionalization of the management of the companies deserves to be explored; in addition, it is necessary to investigate the managerial support in the different strategic orientations (pioneering orientation, market orientation, entrepreneurial orientation) in the companies of the tourism sector.

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### Further reading

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## Appendix

**Table A1** Variables and indicators

<i>Organizational flexibility</i>	
Item	Indicator
Item 1	Reduction of customer service time, in the face of market changes
Item 2	Make adjustments to our production processes, in the face of market changes
Item 3	Make inventory rotation adjustments, in the face of market changes
Item 4	Improve the work performance of staff, in the face of market demands
Item 5	Improve the delivery reliability of our products, in the face of market changes
<i>Pioneering orientation</i>	
Item	Indicator
Item 1	This firm is usually among the first to introduce new products to the market
Item 2	This firm is the industry's leader in developing innovative ideas
Item 3	This firm is well known for introducing breakthrough products and ideas
<i>Market dynamism</i>	
Item	Indicator
Item 1	In our business, customer demands and product preferences change quite rapidly
Item 2	New customers tend to have product needs that are considerably different from those of existing customers
Item 3	Our customers tend to constantly look for new products

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